By Mr. BOEHNE: A bill (H.R. 9733) granting a pension to Ethel K. Massie; to the Committee on Pensions.

By Mr. KURTZ: A bill (H.R. 9734) granting a pension to Anna E. Woods; to the Committee on Invalid Pensions.

Also, a bill (H.R. 9735) granting a pension to Catherine E. Dunn; to the Committee on Invalid Pensions.

Also, a bill (H.R. 9736) granting a pension to Charles Shollar; to the Committee on Invalid Pensions.

By Mr. LEMKE: A bill (H.R. 9737) for the relief of certain landowners in McKenzie County, N.Dak.; to the Committee on Claims.

By Mr. PETERSON: A bill (H.R. 9738) for the relief of Thomas S. Devane; to the Committee on Claims.

By Mr. WHITE: A bill (H.R. 9739) for the relief of Theodore Bedard, Jr.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4729. By Mr. ANDREWS of New York: Resolution adopted by the executive committee of the New York State League of Savings and Loan Associations held in Buffalo on May 11, 1934, favoring program for modernizing and rehabilitating American homes; to the Committee on Banking and Currency.

4730. By Mr. DONDERO: Petition of citizens of Detroit, Mich., protesting against the passage of House bill 9066, known as the "Antifirearms bill"; to the Committee on Ways and Means.

4731. By Mr. FORD: Resolution of California Independent Producers and Refiners, protesting against proposed Federal petroleum act; to the Committee on Interstate and Foreign Commerce.

4732. By Mr. GOODWIN: Petition of the Court of Santa Maria, No. 164, Catholic Daughters of America, Kingston, N.Y., urging support of amendment to Senate bill 2910, relating to section 301, relative to broadcasting time of radio station WLWL; to the Committee on Merchant Marine, Radio, and Fisheries.

4733. By Mr. JAMES: Resolution of the Rotary Club of Ontonagon, Mich., through Laurence E. Chabot, secretary, favoring the present State trunk line through Wisconsin and Michigan changed and designated as a Federal highway known as "US 45"; to the Committee on Roads.

4734. Also, petition of John Wargelin, president of Suomi College, of Hancock, Mich., favoring the passage of House bill 8956; to the Committee on Banking and Currency.

4735. By Mr. LINDSAY: Petition of Freda A. Reichart and others, of Brooklyn, N.Y., favoring the Wagner-Hatfield amendment, Senate bill 3285; to the Committee on Merchant Marine, Radio, and Fisheries.

4736. Also, petition of the Brotherhood of Railroad Trainmen, Cleveland, Ohio, urging support of House bill 7430; to the Committee on Interstate and Foreign Commerce.

4737. Also, petition of the Plunkett-Webster Lumber Co., Inc., New Rochelle, N.Y., urging support of House bill 9620; to the Committee on Banking and Currency.

4738. Also, petition of Elizabeth Leonard and others, of Tuckahoe, N.Y., urging support of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4739. Also, petition of conference of officers, State Leagues of Building and Loan Associations and Cooperative Banks of the Northeastern States, Newark, N.J., concerning Senate bill 3603 and House bill 9620; to the Committee on Banking and Currency.

4740. Also, petition of Workers' Unemployment Insurance Club, New York City, urging support of House bill 7598; to the Committee on Labor.

4741. Also, petition of Ben Singer, of Brooklyn, N.Y., urging defeat of proposed tax on coconut oil; to the Committee on Ways and Means.

4742. Also, petition of Carl Jacobsen, of Brooklyn, N.Y., concerning proposed tax on coconut oil; to the Committee on Ways and Means.

4743. By Mr. MALONEY of Connecticut: Petition of the Children of Mary Sodality of the Church of the Assumption of the city of Ansonia, Conn., supporting amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4744. By Mr. RUDD: Petition of the Brotherhood of Railroad Trainmen, Cleveland, Ohio, urging support of House bill 7430; to the Committee on Interstate and Foreign Commerce.

4745. Also, petition of conference of officers, State Leagues of Building and Loan Associations and Cooperative Banks of the Northeastern States, Newark, N.J., concerning Senate bill 3603 and House bill 9620; to the Committee on Banking and Currency.

4746. By Mr. TABER: Petition of 1,682 signers, urging Congress to pass a bill providing for loans to industries; to the Committee on Banking and Currency.

4747. By the SPEAKER: Petition of Charles Forney, opposing House bill 8301; to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, MAY 23, 1934

(Legislative day of Thursday, May 10, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. HARRISON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Tuesday, May 22, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had concurred in the following concurrent resolutions of the Senate:

S.Con.Res. 18. Concurrent resolution authorizing the reenrollment of S. 3355 with an amendment; and

S.Con.Res. 19. Concurrent resolution requesting the President of the United States to return to the House of Representatives the enrolled bill (H.R. 3673) and authorizing its reenrollment with amendments.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1328. An act to provide for the donation of certain Army equipment to posts of the American Legion;

S. 1882. An act to authorize the Secretary of the Interior to issue patents for lots to Indians within the Indian village of Taholah, on the Quinaielt Indian Reservation, Wash.;

S. 2042. An act to establish a department of physics at the United States Military Academy at West Point, N.Y.;

S. 2794. An act to amend the Longshoremen's and Harbor Workers' Compensation Act with respect to rates of compensation, and for other purposes;

S. 3397. An act to amend the laws relating to the length of tours of duty in the Tropics and certain foreign stations in the case of officers and enlisted men of the Army, Navy, and Marine Corps, and for other purposes; and

S. 3436. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain proceedings against the Electro-Metallurgical Co., New-Kanawha Power Co., and the Union Carbide & Carbon Corporation.

PETITIONS AND MEMORIALS

Mr. TYDINGS presented a resolution adopted by the Maryland Branch of the Women's International League for Peace and Freedom, Baltimore, Md., favoring the passage of the so-called "Costigan-Wagner antilynching bill", which was ordered to lie on the table.

Mr. ROBINSON of Arkansas presented a telegram in the nature of a memorial from the Fayetteville (Ark.) Building and Loan Association, remonstrating against the adoption of certain sections of the bill (S. 3603) to improve Nation-wide housing standards, provide employment, and stimulate industry; to improve conditions with respect to home-mortgage financing, to prevent speculative excesses in new mortgage investment, and to eliminate the necessity for costly second mortgage financing, by creating a system of mutual mortgage insurance and by making provision for the organization of additional institutions to handle home financing; to promote thrift and protect savings; to amend the Federal Home Loan Bank Act; to amend the Federal Reserve Act; and for other purposes, which was referred to the Committee on Banking and Currency.

Mr. STEPHENS. Mr. President, there have been many petitions presented with reference to relief for persons suffering from "jake" paralysis. These petitions were signed by several thousand citizens. I have been requested to present the petitions for publication in the RECORD. I request that one petition be published and appropriately referred. All the other petitions are in the same language.

There being no objection, the petition was referred to the Committee on Claims and ordered to be printed in the RECORD, as follows:

To His Excellency the Honorable FRANKLIN DELANO ROOSEVELT,
President of the United States.
To the Honorable PAT HARRISON and H. D. STEPHENS,
Senators from the State of Mississippi.
To the Honorable JOHN E. RANKIN, WALL DOXEY, W. M. WHITTINGTON, JEFF BUSBY, ROSS A. COLLINS, W. M. COLMER, AND RUSSELL ELLZEY,
Congressmen from the State of Mississippi:

We, the undersigned citizens of Lauderdale County, Miss., being victims of peripheral neuritis, or "jake" paralysis, and the friends of said victims, hereby respectfully petition, request, and demand, as citizens of the United States, that you—

First. Cause an investigation to be made fixing and determining the responsibility of whatever governmental agency who, through failure, neglect of duty, or willfulness, permitted or caused the substance which caused said paralysis to be placed upon the market;

Second. Feeling that a governmental agency has fallen down, failed, neglected, and refused to function, and that as a result of such dereliction of duty numerous citizens of the United States have become invalids, cripples, and charges upon the State, counties, and municipalities, or upon their families, we respectfully request that you deal with us fairly, justly, and impartially; that you accord to the victims of this dreadful malady the same treatment that you yourselves would ask for, if you were the victims of neglect, the willfulness, or the wantonness that caused a large number of our citizens to become invalids as a result of said failure, neglect, or willfulness on the part of whatever governmental agency was responsible for said unfortunate occurrence;

Third. We respectfully ask, petition, and request that you use your influence to the end that Congress and the Government of the United States may, insofar as possible, right the wrong done to these unfortunates and place them again, as nearly as possible, in the position that they were before they became and are the victims of this neglect or willfulness;

Fourth. We feel, in asking that you do this, that we are only asking that which is right, which is fair, which is just, and, above all, which is equitable. We feel that these unfortunate victims have been denied the equal protection of the law, deprived of their constitutional rights, and are either the victims of a willful bunch of fanatics or of a grafting lot of exploiters who were willing to build their fortunes by rendering helpless a large percentage of the citizens of the United States, who have been deprived of their right to health and pursuit of happiness, and who have been rendered charges on either the State, counties, and municipalities, or their relatives; and

In conclusion, let us again adjure you that we do not seek alms or charity but that we simply ask justice and fair treatment at the hands of the Government, which each and every signer of this petition, if called upon, will gladly maintain, at the sacrifice of his own life.

REGULATION OF TRAFFIC IN FOOD AND DRUGS

Mr. GOLDSBOROUGH. Mr. President, I hold in my hand copy of a resolution recently adopted by the Inland Daily Press Association, asking that Senate bill No. 2800, now pending before this body, be recommitted to the Committee on Commerce for further consideration.

I ask unanimous consent that this resolution may lie on the table and be printed in the RECORD.

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

Resolved, That the Inland Daily Press Association, with membership of 246 leading daily newspapers of the Middle West, and having been in operation for over 49 years, in regular session at the Stevens Hotel, Chicago, this week, requests that Senate File No. 2800, known as "food and drug bill", be returned to committee for further consideration of amendments proposed by the industries affected, concerning, first, the definition of advertising; second, the definition of false advertising; and third, proposing the appointment by the President of an Administration Board of Review to which an advertiser may appeal from any decision that he has violated the act. The Inland Daily Press Association very earnestly supports the amendments endorsed by the American Newspaper Publishers Association.

REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 829. An act for the relief of Denis Healy (Rept. No. 1092); and

S. 2787. An act for the relief of Michael F. Calnan (Rept. No. 1093).

Mr. DIETERICH, from the Committee on Naval Affairs, to which was referred the bill (H.R. 6246) granting 6 months' pay to Annie Bruce, reported it without amendment and submitted a report (No. 1094) thereon.

Mr. STEPHENS, from the Committee on Commerce, to which was referred the bill (S. 3415) authorizing the State of Michigan by and through the Mackinac Straits Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge or series of bridges across the Straits of Mackinac at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan, reported it without amendment and submitted a report (No. 1103) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 3604) to authorize the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington, reported it with amendments and submitted a report (No. 1095) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3553. An act to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York, to New Jersey (Rept. No. 1096);

S. 3615. An act authorizing the county of Wahkiakum, a legal political subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington (Rept. No. 1097);

H.R. 9320. An act to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak. (Rept. No. 1098);

H.R. 9326. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa. (Rept. No. 1099);

H.R. 9401. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa. (Rept. No. 1100);

H.R. 9530. An act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows" (Rept. No. 1101); and

H.R. 9585. An act authorizing the city of Sault Ste. Marie, Mich., its successors and assigns, to construct, maintain, and operate a bridge across the St. Marys River at or near Sault Ste. Marie, Mich. (Rept. No. 1102).

Mr. WHITE, from the Committee on Claims, to which was referred the bill (H.R. 4541) for the relief of George Dacas, reported it without amendment and submitted a report (No. 1104) thereon.

He also, from the same committee, to which was referred the bill (H.R. 7437) for the relief of E. C. West, reported it with an amendment and submitted a report (No. 1105) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 171. An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey (Rept. No. 1106); and

S. 3394. An act for the relief of the Grier-Lowrence Construction Co. (Rept. No. 1107).

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 2748. An act for the relief of A. C. Francis (Rept. No. 1108);

H.R. 2749. An act for the relief of E. B. Rose (Rept. No. No. 1109);

H.R. 4932. An act for the relief of Judd W. Hulbert (Rept. No. 1110);

H.R. 5935. An act for the relief of Oscar P. Cox (Rept. No. 1111);

H.R. 6890. An act for the relief of Mrs. Pleasant Lawrence Parr (Rept. No. 1112); and

H.R. 7028. An act for the relief of Mrs. Joseph Roncoli (Rept. No. 1113).

Mr. LOGAN, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H.R. 4272. An act for the relief of Annie Moran (Rept. No. 1114); and

H.R. 5780. An act for the relief of Lt. H. W. Taylor, United States Navy (Rept. No. 1115).

Mr. LOGAN also, from the Committee on Claims, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

S. 3516. An act for the relief of the Morgan Decorating Co. (Rept. No. 1116);

H.R. 194. An act to refund to Caroline M. Eagan income tax erroneously and illegally collected (Rept. No. 1117); and

H.R. 5736. An act for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller (Rept. No. 1118).

Mr. BAILEY (for Mr. CAPPER), from the Committee on Claims, to which was referred the bill (S. 527) for the relief of Lillian Morden, reported it without amendment and submitted a report (No. 1119) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3326) to amend the Agricultural Adjustment Act, and for other purposes, reported it with an amendment and submitted a report (No. 1120) thereon.

Mr. BACHMAN, from the Committee on Military Affairs, to which was referred the bill (S. 1137) for the relief of Ruth J. Barnes, reported it without amendment and submitted a report (No. 1121) thereon.

Mr. BLACK, from the Committee on Military Affairs, to which was referred the bill (S. 771) for the relief of James Darcy, reported it with amendments and submitted a report (No. 1122) thereon.

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which were referred the following resolutions, reported them each without amendment:

S.Res. 173. Resolution creating a special committee to investigate contributions and expenditures in senatorial contests in 1934; and

S.Res. 223. Resolution granting a gratuity to Mary Allen Young.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH:

A bill (S. 3670) to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. TYDINGS:

A bill (S. 3671) to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to Ethel Smith McDaniel, widow of Travis McDaniel; to the Committee on Claims.

By Mr. JOHNSON:

A bill (S. 3672) to provide funds for cooperation with the public-school board at Covello, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif.; to the Committee on Indian Affairs.

By Mr. WHEELER:

A bill (S. 3673) to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 3674) for the relief of Dino Carbonell; to the Committee on Claims.

RECIPROCAL TARIFF AGREEMENTS—AMENDMENT

Mr. BARBOUR submitted an amendment intended to be proposed by him to the bill (H.R. 8687) to amend the Tariff Act of 1930, which was ordered to lie on the table and to be printed.

AMENDMENT TO FIRST DEFICIENCY BILL

Mr. TYDINGS submitted an amendment intended to be proposed by him to the first deficiency appropriation bill, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill to insert the following new section:

"SEC. —. In the case of widows and dependents of officers and enlisted men of the Army, Navy, or Marine Corps who served on the airships *Akron* and *J–3* and who died in the accidents resulting in the destruction of such airships in April 1933 the amount of pension allowed shall be double that authorized by law or regulation of the President to be paid in cases where death results from an injury received or disease contracted in line of duty not the result of an aviation accident."

THE AIR MAIL—CONFERENCE REPORT (S.DOC. NO. 182)

Mr. McKELLAR submitted a conference report, which was ordered to lie on the table and to be printed, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3170) to revise air-mail laws having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the act of April 29, 1930 (46 Stat. 259, 260; U.S.C., Supp. VII, title 39, secs. 464, 465c, 465d, and 465f), and the sections amended thereby are hereby repealed.

"SEC. 2. (a) Effective July 1, 1934, the rate of postage on air mail shall be 6 cents for each ounce or fraction thereof.

"(b) When used in this act—

"(1) The term 'air mail' means mail of any class prepaid at the rate of postage prescribed in subsection (a) of this section.

"(2) The term 'person' includes an individual, partnership, association, or corporation.

"(3) The term 'pilot' includes copilot.

"SEC. 3. (a) The Postmaster General is authorized to award contracts for the transportation of air mail by airplane between such points as he may designate, and for initial periods of not exceeding one year, to the lowest responsible bidders tendering sufficient guaranty for faithful performance in accordance with the terms of the advertisement at fixed rates per airplane-mile: *Provided*, That where the Postmaster General holds that a low bidder is not respon-

sible or qualified under this act, such bidder shall have the right to appeal to the Comptroller General, who shall speedily determine the issue, and his decision shall be final: *Provided further,* That the base rate of pay which may be bid and accepted in awarding such contracts shall in no case exceed 33⅓ cents per airplane-mile for transporting a mail load not exceeding 300 pounds. Payment for transportation shall be at the base rate fixed in the contract for the first 300 pounds of mail or fraction thereof plus one tenth of such base rate for each additional 100 pounds of mail or fraction thereof, computed at the end of each calendar month on the basis of the average mail load carried per mile over the route during such month, except that in no case shall payment exceed 40 cents per airplane-mile.

"(b) No contract or interest therein shall be sold, assigned, or transferred by the person to whom such contract is awarded, to any other person without the approval of the Postmaster General; and upon any such transfer without such approval, the original contract, as well as such transfer, shall at the option of the Postmaster General become null and void.

"(c) If, in the opinion of the Postmaster General, the public interest requires it, he may grant an extension of any route, for a distance not in excess of 100 miles, and only one such extension shall be granted to any one person, and the rate of pay for such extension shall not be in excess of the contract rate on that route.

"(d) The Postmaster General may designate certain routes as primary and secondary routes and shall include at least four transcontinental routes and the eastern and western coastal routes among primary routes. The character of the designation of such routes shall be published in the advertisements for bids, which bids may be asked for in whole or in part of such routes.

"(e) If on any route only one bid is received, or if the bids received appear to the Postmaster General to be excessive, he shall either reject them or submit the same to the Interstate Commerce Commission for its direction in the premises before awarding the contract.

"(f) The Postmaster General shall not award contracts for air-mail routes or extend such routes in excess of an aggregate of 29,000 miles, and shall not establish schedules for air-mail transportation on such routes and extensions in excess of an annual aggregate of 40,000,000 airplane-miles.

"(g) Authority is hereby conferred upon the Postmaster General to provide and pay for the carriage of mail by air in conformity with the terms of any contract let by him prior to the passage of this act, or which may be let pursuant to a call for competitive bids therefor issued prior to the passage of this act, and to extend any such contract for an additional period or periods not exceeding 9 months in the aggregate, at a rate of compensation not exceeding that established by this act nor that provided for in the original contract: *Provided,* That no such contract may be so extended unless the contractor shall agree in writing to comply with all the provisions of this act during the extended period of the contract.

"SEC. 4. The Postmaster General shall cause advertisements of air-mail routes to be conspicuously posted at each such post office that is a terminus of the route named in such advertisement, for at least 20 days, and a notice thereof shall be published at least once a week for 2 consecutive weeks in some daily newspaper of general circulation published in the cities that are the termini for the route before the time of the opening of bids.

"SEC. 5. After the bids are opened, the Postmaster General may grant to a successful bidder a period of not more than 30 days from the date of award of the contract to take the steps necessary to qualify for mail services under the terms of this act: *Provided,* That, at the time of the award, the successful bidder executes an adequate bond with sufficient surety guaranteeing and assuring that, within such period, said bidder will fully qualify under the act faithfully to execute and to carry out the terms of the contract: *Provided further,* That, if there is a failure so to qualify, the amount designated in the bond will be forfeited and paid to the United States of America.

"SEC. 6. (a) The Interstate Commerce Commission is hereby empowered and directed, after notice and hearing, to fix and determine by order, as soon as practicable and from time to time, the fair and reasonable rates of compensation for the transportation of air mail by airplane and the service connected therewith over each air-mail route, but not in excess of the rates provided for in this act, prescribing the method or methods by weight or space, or both, or otherwise, for ascertaining such rates of compensation, and to publish the same, which shall continue in force until changed by the said Commission after due notice and hearing.

"(b) The Interstate Commerce Commission is hereby directed, at least once in every calendar year from the date of letting of any contract, to review the rates of compensation being paid to the holder of such contract, in order to be assured that no unreasonable profit is resulting or accruing therefrom. In determining what may constitute an unreasonable profit, the said Commission shall take into consideration all forms of gross income derived from the operation of airplanes over the route affected.

"(c) Any contract which may hereafter be let or extended pursuant to the provisions of this act, and which has been satisfactorily performed by the contractor during its initial or extended period, shall thereafter be continued in effect for an indefinite period, subject to any reduction in the rate of payment therefor, and such additional conditions and terms, as the said Commission may prescribe, which shall be consistent with the requirements of this act; but any contract so continued in effect may be terminated by the said Commission upon 60 days' notice, upon such hearing and notice thereof to interested parties as the Commission may determine to be reasonable; and may also be terminated by the contractor at its option upon 60 days' notice. On the termination of any air-mail contract, in accordance with any of the provisions of this act, the Postmaster General may let a new contract for air-mail service over the route affected, as authorized in this act.

"(d) All provisions of section 5 of the act of July 28, 1916 (39 Stat. 412; U.S.C., title 39, secs. 523 to 568, inclusive), relating to the administrative methods and procedure for the adjustment of rates for carriage of mail by railroads shall be applicable to the ascertainment of rates for the transportation of air mail by airplane under this act so far as consistent with the provisions of this act. For the purposes of this section the said Commission shall also have the same powers as the Postmaster General is authorized to exercise under section 10 of this act with respect to the keeping, examination, and auditing of books, records, and accounts of air-mail contractors, and it is authorized to employ special agents or examiners to conduct such examination or audit, who shall have power to administer oaths, examine witnesses, and receive evidence.

"(e) In fixing and determining the fair and reasonable rates of compensation for air-mail transportation, the Commission shall give consideration to the amount of air mail so carried, the facilities supplied by the carrier, and its revenue and profits from all sources, and from a consideration of these and other material elements, shall fix and establish rates for each route which, in connection with the rates fixed by it for all other routes, shall be designed to keep the aggregate cost of the transportation of air mail on and after July 1, 1938, within the limits of the anticipated postal revenue therefrom.

"SEC. 7. (a) After December 31, 1934, it shall be unlawful for any person holding an air-mail contract to buy, acquire, hold, own, or control, directly or indirectly, any shares of stock or other interest in any other partnership, association, or corporation engaged directly or indirectly in any phase of the aviation industry, whether so engaged through air transportation of passengers, express, or mail, through the holding of an air-mail contract, or through the manufacture or sale of airplanes, airplane parts, or other materials or accessories generally used in air transportation, and regardless of whether such buying, acquisition, holding, ownership, or control is done directly, or is accomplished indirectly, through an agent, subsidiary, associate, affiliate, or by any other device whatsoever: *Provided,* That the prohibitions herein

contained shall not extend to interests in landing fields, hangars, or other ground facilities necessarily incidental to the performance of the transportation service of such air-mail contractor, nor to shares of stock in corporations whose principal business is the maintenance or operation of such landing fields, hangars, or other ground facilities.

"(b) After December 31, 1934, it shall be unlawful (1) for any partnership, association, or corporation, the principal business of which, in purpose or in fact, is the holding of stock in other corporations, or (2) for any partnership, association, or corporation engaged directly or indirectly in any phase of the aviation industry, as specified in subsection (a) of this section, to buy, acquire, hold, own, or control, directly or indirectly, either as specified in such subsection (a) or otherwise, any shares of stock or other interests in any other partnership, association, or corporation which holds an air-mail contract.

"(c) No person shall be qualified to enter upon the performance of an air-mail contract, or thereafter to hold an air-mail contract, if at or after the time specified for the commencement of mail transportation under such contract, such person is (or, if a partnership, association, or corporation, has and retains a member, officer, or director that is) a member, officer, director, or stockholder in any other partnership, association, or corporation, whose principal business, in purpose or in fact, is the holding of stock in other corporations, or which is engaged in any phase of the aviation industry, as specified in subsection (a) of this section.

"(d) No person shall be qualified to enter upon the performance of, or thereafter to hold an air-mail contract, (1) if at or after the time specified for the commencement of mail transportation under such contract, such person is (or, if a partnership, association, or corporation, has a member, officer, or director, or an employee performing general managerial duties, that is) an individual who has theretofore entered into any unlawful combination to prevent the making of any bids for carrying the mails: *Provided*, That whenever required by the Postmaster General the bidder shall submit an affidavit executed by the bidder, or by such of its officers, directors, or general managerial employees as the Postmaster General may designate, sworn to before an officer authorized and empowered to administer oaths, stating in such affidavit that the affiant has not entered nor proposed to enter into any combination to prevent the making of any bid for carrying the mails, nor made any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person to bid or not to bid for any mail contract, or (2) if it pays any officer, director, or regular employee compensation in any form, whether as salary, bonus, commission, or otherwise, at a rate exceeding $17,500 per year for full time.

"SEC. 8. Any company alleging to hold a claim against the Government on account of any air-mail contract that may have heretofore been annulled, may prosecute such claim as it may have against the United States for the cancelation of such contract in the Court of Claims of the United States, provided that such suit be brought within 1 year from the date of the passage of this act; and any person not ineligible under the terms of this act who qualifies under the other requirements of this act, shall be eligible to contract for carrying air mail, notwithstanding the provisions of section 3950 of the Revised Statutes (act of June 8, 1872).

"SEC. 9. Each person desiring to bid on an air-mail contract shall be required to furnish in its bid a list of all the stockholders holding more than 5 percent of its entire capital stock, and of its directors, and a statement covering the financial set-up, including a list of assets and liabilities; and in the case of a corporation, the original amount paid to such corporation for its stock, and whether paid in cash, and if not paid in cash, a statement for what such stock was issued. Such information and the financial responsibility of such bidder, as well as the bond offered, may be taken into consideration by the Postmaster General in determining the qualifications of the bidder.

"SEC. 10. All persons holding air-mail contracts shall be required to keep their books, records, and accounts under such regulations as may be promulgated by the Postmaster General, and he is hereby authorized to examine and audit the books, records, and accounts of such contractors and to require a full financial report under such regulations as he may prescribe.

"SEC. 11. Before the establishment and maintenance of an air-mail route the Postmaster General shall notify the Secretary of Commerce, who thereupon shall certify to the Postmaster General the character of equipment to be employed and maintained on each air-mail route. In making this determination the Secretary of Commerce, in his specifications furnished to the Postmaster General, shall determine only the speed, load capacity, and safety features and safety devices on airplanes to be used on the route, which said specifications shall be included in the advertisement for bids.

"SEC. 12. The Secretary of Commerce is authorized and directed to prescribe the maximum flying hours of pilots on air-mail lines, and safe operation methods on such lines, and is further authorized to approve agreements between air-mail operating companies and their pilots and mechanics for retirement benefits to such pilots and mechanics. The Secretary of Commerce is authorized to prescribe all necessary regulations to carry out the provisions of this section and section 11 of this act.

"SEC. 13. It shall be a condition upon the awarding or extending and the holding of any air-mail contract that the rate of compensation and the working conditions and relations for all pilots, mechanics, and laborers employed by the holder of such contract shall conform to decisions of the National Labor Board. This section shall not be construed as restricting the right of collective bargaining on the part of any such employees.

"SEC. 14. The Federal Radio Commission shall give equal facilities in the allocation of radio frequencies in the aeronautical band to those airplanes carrying mail and/or passengers during the time the contract is in effect.

"SEC. 15. After October 1, 1934, no air-mail contractor shall hold more than three contracts for carrying air mail, and in case of the contractor of any primary route, no contract for any other primary route shall be awarded to or extended for such contractor. It shall be unlawful for air-mail contractors, competing in parallel routes, to merge or to enter into any agreement, express or implied, which may result in common control or ownership.

"SEC. 16. The Postmaster General may provide service to Canada within 150 miles of the international boundary line, over domestic routes which are now or may hereafter be established and may authorize the carrying of either foreign or domestic mail, or both, to and from any points on such routes and make payment for services over such routes out of the appropriation for the domestic Air Mail Service: *Provided*, That this section shall not be construed as repealing the authority given by the act of March 2, 1929 (U.S.C., supp. VII, title 39, sec. 465a).

"SEC. 17. The Postmaster General may cause any contract to be canceled for willful disregard of or willful failure by the contractor to comply with the terms of its contract or the provisions of law herein contained and for any conspiracy or acts designed to defraud the United States with respect to such contracts. This provision is cumulative to other remedies now provided by law.

"SEC. 18. Whoever shall enter into any combination, understanding, agreement, or arrangement to prevent the making of any bid for any contract under this act, to induce any other person not to bid for any such contract, or to deprive the United States Government in any way of the benefit of full and free competition in the awarding of any such contract, shall upon conviction thereof be fined not more than $10,000 or imprisoned for not more than 5 years, or both.

"SEC. 19. If any person shall willfully or knowingly violate any provision of this act, his contract, if one shall have been awarded to him, shall be forfeited, and such person

shall upon conviction be punished by a fine of not more than $10,000 or be imprisoned for not more than 5 years.

"SEC. 20. The President is hereby authorized to appoint a commission composed of five members to be appointed by him, not more than three members to be appointed from any one political party, for the purpose of making an immediate study and survey, and to report to Congress not later than February 1, 1935, its recommendations of a broad policy covering all phases of aviation and the relation of the United States thereto. Members appointed who are not already in the service of the United States shall receive compensation of not exceeding the rate of compensation of a Senator or Representative in Congress.

"SEC. 21. Such commission shall organize by electing one of its members as chairman, and it shall appoint a secretary whose salary shall not exceed the rate of $5,000 per annum. Said commission shall have the power to pay actual expenses of members of the commission in the performance of their duties, to employ counsel, experts, and clerks, to subpena witnesses, to require the production by witnesses of papers and documents pertaining to such matters as are within the jurisdiction of the commission, to administer oaths, and to take testimony, and for such purpose there is hereby authorized to be appropriated the sum of $75,000."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title, and agree to the same with an amendment as follows: In lieu of the title proposed to be inserted by the House amendment insert the following: "An act to revise air-mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy."

And the House agree to the same.

KENNETH MCKELLAR,
HUGO L. BLACK,
CARL HAYDEN,
Managers on the part of the Senate.

JAS. M. MEAD,
M. A. ROMJUE,
D. C. DOBBINS,
Managers on the part of the House.

BISHOP JAMES E. FREEMAN—SERMON BY BISHOP GAILOR

Mr. MCKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a sermon by Bishop Thomas F. Gailor, of Memphis, Tenn., commemorating the fortieth anniversary of the ordination of the Right Reverend James E. Freeman, D.D., Bishop of Washington, Sunday afternoon, May 20, 1934.

Bishop Gailor is one of the greatest men in any church anywhere. He is one of the most eloquent men to whom I ever listened. He is beloved by all in Tennessee—loved for his outspoken stand on all subjects, for his good deeds, for his splendid character, and for all of those qualities which make a man truly great.

His tribute to Bishop Freeman, of Washington, is a high tribute, richly deserved.

I am asking on my own initiative and without the suggestion of anyone else and with the hope that every Senator at least will read every word of it, Mr. President, that this short address be printed in the RECORD. I guarantee that each one will be benefited by doing so.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

"If a man seeketh the office of a bishop, he desireth a good work." (I Timothy iii: 1 (revised).)

The seven Greek words used in this sentence have a deeper meaning than that which appears in the literal statement of the text.

The free rendering and the true significance of this great saying of St. Paul is: "The man, who makes an offering of his life to the ministry of the church, sets his heart upon a noble and honorable occupation."

It is worth our while then today, at this anniversary service, to consider for a few moments: (1) What is the significance and value of the Christian ministry? and (2) What appeal does it make to the young men of our country in our time?

The characteristic obligation and privilege of this ministry, as it is described in the New Testament, may be summed up under three heads, viz: It is a witness; it is a stewardship; and it is a priesthood of service.

(1) It is a witness to the grace and truth that came into the world by our Lord Jesus Christ. By the example of the personal life and power of the spoken word, it is to bear testimony to the fact and blessing of the incarnation and to proclaim the message of God's redeeming love to the children of men.

It has no power to invent new truth, but only to bear witness to what was the truth which the church received from Christ.

It is, however, an authoritative witness and speaks for the church and has therefore authority to reprove, rebuke, exhort; to plead as an ambassador for Christ, possessing the word of reconciliation—to impose discipline and to absolve—to bind and to loose.

Brethren, this continuous and unbroken succession of official and authorized witnesses to Christ goes back to the 40 days after the Resurrection, when the great commission was given, "Ye shall be witnesses unto Me." It is the sure guarantee throughout the 18 centuries of Christian history of the unchangeable truth of the gospel—the spiritual and eternal sanctions of right conduct—"the faith once for all delivered to the saints." It is the rock foundation upon which we approach the study of the evidences of Christianity. Its appeal today is as clear and strong and as certain as it was when Paul spoke to the Athenians from Mars Hill, or when Polycarp bore his testimony at Smyrna, or when Chrysostom preached in Constantinople, or Ridley and Latimer stood at the stake at Oxford, or Hannington won his martyr's crown in the midst of darkest Africa.

Through the Christian ages the Christian ministry has borne its witness to the redemptive purpose of God—revealed in His Son, Jesus Christ; through many persecutions and unceasing trial and privation and self-denial, through discouragement and criticism, in the courts of kings and in the homes of the poor—at sick and dying beds and in the far-off wilderness, by precept, by faith and love and long-suffering—never free from human imperfection and the liability to human error, but all the same a witness which has not been equaled for its enthusiasm and consecration, for its simplicity and its beneficence, in the history of the world.

(2) This ministry is a stewardship. As the Apostle says in the First Epistle to the Corinthians, "We are stewards of the mysteries of God", or, again, in the same epistle, "Woe is me if I preach not the gospel, for I have a stewardship intrusted to me."

Although our advancing knowledge and the changing order of the world may by the light of the Holy Spirit open our minds to new aspects of the truth and enrich the content of words and phrases that have come down to us from the past, yet there are exceeding great and precious promises intrusted to the Church, for the pure and faithful transmission of which the ministry is specially responsible. The ministerial succession, in due order and regularity, is itself a trust, with which is involved the preservation of the simplicity and purity of the revealed truth of the gospel, according to that injunction to Timothy, "Oh Timothy, guard that which is committed to thy trust", and "the things which thou hast heard of Me among many witnesses, the same commit thou to faithful men, who shall be able to teach others also" (I Timothy vi : 20 and II Timothy ii : 2). This idea of stewardship is one of the deep and pregnant characterizations of the ministry in the New Testament. Our Lord, speaking to His chosen Apostles, says, "Who is that faithful and wise steward, whom his lord shall set over his household, to give them their portion of food in due season?" "Blessed is that servant, whom his lord, when he cometh, shall find so doing." And St. Paul's declaration seems to be an echo of this, when he says (I Corinthians iv : 1), "Let a man so account of us as of the ministers of Christ and stewards of the mysteries of God. Moreover, it is required in stewards that a man be found faithful."

Here, then, my brethren, the ministry is spoken of as a trusteeship, and the church for 1,800 years has believed it to be a trusteeship of truth and order. This means that there is such a thing as definite truth revealed by God, which must be protected and handed on, and there is such a thing as an authorized and authoritative ministry to whom the care of it has been specially committed.

History tells us how the ministry of the church has discharged this trust. There have been times, no doubt, when ignorance and superstition seemed to get the upper hand, as when the tide of barbarism swept down on southern Europe and when for 7 centuries it seemed almost as if the truth would be entirely smothered by the invasion; but, as Guizot says, the ministry saved it. There were whole generations when the representatives of the ministry seemed to be steeped in bigotry, but the church was never entirely lacking in faithful stewards. And you and I would never be here today enjoying the privileges of liberty in a free church for free men were it not for that sense of stewardship which in the darkest hours of the Middle Ages inspired the hearts and minds of faithful bishops and faithful priests, who handed on through criticism and discouragement and self-sacrificing toil the everlasting truth of the everlasting gospel.

What a fine and noble and inspiring quality of manhood and womanhood that is, the quality of faithfulness to trust, of entire trustworthiness? There can be no higher tribute to a man than that you can trust him through and through and out and out.

There is a story of the Civil War which has thrilled our people in this money-making age and touched their deepest chords of

sympathy. It is the story of a boy, not yet 20 years of age, who was captured within the Federal lines at Pulaski, Tenn., in possession of valuable information as to the fortifications and plans of the Union troops, which he had evidently been intrusted with by someone in the service of that army. He was offered the alternative of declaring the name of his informant or of dying an ignominous death. A free pardon was offered him if only he would disclose the secret. * * * On the scaffold he died, saying, "I would rather die a thousand deaths than betray my trust." And today, upon the hill of the capitol at Nashville, the noble statue of Sam Davis looks out over the busy city, with a look that seems to plead with our young men for the higher interpretation of life, "I have a trust, my manhood, my opportunities, my honor; I have a trust committed to me."

What clearer, higher message has the church for men than that?

To men of wealth she says, "God permits the differences in human life. Some have poverty, some have riches. Some are successful and some are unsuccessful. Let not the prosperous be proud nor the failures be despondent. With every gift of life there is a corresponding responsibility. Sooner or later the Lord of the vineyard will say to you, "Give an account of thy stewardship, for thou mayest be no longer steward." Wealth and intellect, power, influence, and success, these are but trusts that are imposed upon us for which every man shall give account to God; and the solemn and heartfelt recognition of this law of the Almighty Judge would solve most of the social problems of our time.

Brethren, it is the glory and the burden of the Christian ministry that for 18 centuries it has represented to the slow-believing world this ideal of stewardship.

Times may change and we change with them, but today the stewardship of the ministry is as real and the trust as great as when Athanasius disregarded the flattery and the threats of emperors, and stood faithful, contra-mundum, against his world. And the command of the Master is as clear and ringing as it was to St. Paul, "It is required of stewards that a man be found faithful"—not brilliant nor popular nor successful, but faithful to his trust.

(3) For, thirdly, this ministry is priesthood. It carries on and represents to the world that great and sacred truth of the priesthood of Jesus Christ.

Let us think for a moment what this means. All human religion in all ages has expressed itself in priesthood. Man was created with the innate and instinctive desire for approach to God and union with God. Therefore, we find him always making offerings to God through appointed agents. The offerings we call sacrifice and the agents we call priests. Then our Lord came, perfect in His humanity, perfect in His divinity, and made the perfect sacrifice of obedience to God's will.

Even if man had never sinned there would have had to be some such perfect approach to God by perfect obedience, and it was the fact of sin that dyed the Christ's life with the purple tinge of pain.

Therefore, in the last day of His earthly life He instituted a ceremonial rite which should for all time declare and set forth the perfect union between man and God which He had accomplished by His complete obedience, and this rite he enjoined upon His disciples, saying, "This do in remembrance of Me."

The holy eucharist is the restoration of the primative idea of sacrifice. In it there is no element of that shuddering fear and shrinking dread, with which the heathen world brought its slain victims to propitiate the offended majesty of the All-Holy; but it is the sign and symbol of the confidence of man redeemed and restored in Christ, conscious of His sonship, and believing in the eternal love, which sooner or later shall seek and save all them that are lost.

No wonder that the holy communion, through more than 60 generations, has been and continues to be the central movement in the church's worship. No wonder that, in connection with this unique, tremendous, ceremonial action has grown up and developed the choicest creations of man's genius in music and architecture; the loftiest aspirations, the most passionate devotion—aspiration and devotion which have touched the tenderest chords of our hearts, even when accompanied by the most ignorant and unworthy superstition.

For this eucharist is essentially and intrinsically the declaration of God's love for man and of man's capacity for perfect love to God through Christ, the daily challenge to our indifference and the condemnation of our lack of love. It interprets the meaning and justifies the organization of the church. It summons every individual believer to a surrender of himself, soul and body, to cooperation in Christ's work for the redemption and salvation of mankind. It is the bond of union, the sacrament of brotherhood, the symbol and pledge of the ultimate victory of the kingdom of God.

And this priesthood of worship and love and service, which is the characteristic note of the whole church, as Saint Peter says, is emphatically the obligation and privilege of the church's authorized ministry. So St. Paul, in that sixteenth verse of the fifteenth chapter in his Letter to the Romans, uses words which put a twofold emphasis upon this fact. "I put you in mind", he says, "by the grace of God which was given me to make me a liturgical minister of Christ to the Gentiles, ministering as a priest the gospel of God in order that the sacrificial offering of the Gentiles might be acceptable to him."

Thus the Christian ministry is a priesthood of service to God and of service to man—representing the church in pleading before God the Christ-given memorial of that supreme love which redeemed humanity by entire obedience, and again representing the church in its organized ministration of blessing and help and sympathy to all mankind. As the author of the Epistle to the Hebrews says, "They watch for your souls, as they that must give account."

(4) This is the meaning and the purpose, and this is the appeal of the Christian ministry in our time. It offers no assured reward of worldly gain, of comfort, of luxury, of commercial profit, nor even of present power and success. It holds out only the prospect of unequaled opportunity of service and of encouragement of the spiritual life of our people; of having the mind and heart uplifted and satisfied by the consciousness of work that is done for God; of contributing something, however small, to the laying of that foundation of righteousness upon which the security and permanence of this Republic surely depend; and, finally, of hearing some day, when the struggle-storm of life is over and its fever past, from the lips of Christ our Lord: "Thou hast been faithful over a few things, I will make thee ruler over many things; enter thou into the joy of thy Lord" (St. Matthew xxv : 23).

My brethren, we are met here today to commemorate Bishop Freeman's 40 years of service in the Christian ministry; and we may say that in an honorable degree, in his life of unselfish devotion to duty he has exemplified that ideal of the priest and pastor, which has been and is the high tradition of our Anglo-Saxon church where, as the poet Wordsworth says:

"All generous feelings flourish and rejoice—
Forbearance, charity in deed and thought,
And resolution, competent to take
Out of the bosom of simplicity,
All that her holy customs recommend,
And the best ages of the world prescribe."

Bishop Freeman has been permitted, by the grace of God, to make a notable contribution to the realization of the ideal of Christian citizenship in our time. For 16 years rector of St. Andrew's Church, Yonkers, N.Y.; for 11 years in St. Mark's, Minneapolis; for 2 years in the Epiphany, Washington; and for 10 years bishop of this important diocese, nobly and effectively he has carried on the work of Bishop Satterlee and Bishop Harding in the building of this National Cathedral, and with zeal and conspicuous ability he has given his service to the Nation and the church.

What greater or truer ideal of American citizenship can we desire or have than this? What career of political leadership can surpass this in beneficent service to our country?

My brethren, it was Saul of Tarsus, the Hebrew of the Hebrews, the pupil of Gamaliel, who has told us, in the measured wording of our text, that "He who makes an offering of his life to the ministry of the church sets his heart upon a noble and honorable occupation." He knew what it was to forsake the great opportunities of secular life. He also knew the incapacity, or else the unwillingness, of many that were near and dear to him to understand the necessity under which a man, by the power of strong conviction, felt compelled to make a glad offering of his life for service rather than to achieve for himself a so-called "brilliant career" in the world. And, therefore, writing from his Roman prison to a young man like Timothy, appointed to be the first bishop of the church in the rich, the famous, the beautiful, the intensely worldly city of Ephesus, his words ring out with special meaning and emphasis: "He that giveth himself to the ministry hath set his heart upon an honorable occupation"; "Fight the good fight of faith, lay hold on eternal life"; "Be sober in all things, suffer hardship, do the work of an evangelist, fulfill thy ministry"—"For I am already being offered, and the time of my departure is come. I have fought the good fight. I have finished my course, I have kept the faith. Henceforth there is laid up for me the crown of righteousness, which the Lord, the Righteous Judge, shall give me at that day, and not only to me but also to all them that have loved His appearing."

So naturally today our thoughts go back through the long centuries that have elapsed since these glorious words were written; and we rejoice that the historic witness has been so faithful, that the words seem to have been uttered only yesterday. For more than 1,800 years have passed since then, but the work of the evangelist, the service of the Christian ministry, the responsibility of the Christian bishop are more than ever, if possible, real and positive factors in our religious, our social, and our national life. Let us then surrender ourselves to the elevating and inspiring memories which this occasion excites and sustains, and in the commemoration of the 40 years of service of this well-beloved bishop, let us acknowledge our debt and pay our tribute to those 60 generations of the faithful servants and priests of God, to whose faith and loyalty we owe it that we are assembled here today.

FEDERAL ACTIVITIES AGAINST LAWLESSNESS—ADDRESS BY ATTORNEY GENERAL CUMMINGS

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on the subject: "How the Government Battles Organized Lawlessness", delivered by Hon. Homer Cummings, Attorney General of the United States, May 12, 1934.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

HOW THE GOVERNMENT BATTLES ORGANIZED LAWLESSNESS

Ladies and gentlemen, in its campaign against crime the Department of Justice is primarily concerned, of course, with the enforcement of the Federal criminal statutes. Most criminal activities do not constitute violations of the laws of the United States, but are infractions of State statutes. The desperado Dillinger, for example, whose deeds of bloodshed and violence have recently terrorized the Middle West, has, so far as we are able to ascertain, committed only one Federal offense—the transportation of a stolen automobile from one State to another. The explanation for this lies in the fact that in our political system the Federal Government possesses only those powers which are granted to it, expressly or impliedly, by the Constitution. The Congress is, therefore, limited in the enactment of criminal statutes to those objects that are within the purview of the United States Government as defined in the Constitution.

A few of these laws are the Dyer Act, prohibiting the interstate transportation of stolen automobiles; the Mann Act, designed to curb the white-slave traffic; the so-called "Lindbergh kidnaping" statute, making it a Federal offense to transport a kidnaped person from one State to another; the antitrust laws; the extortion statute, which makes it a crime against the United States for a person to send through the mail an anonymous or unsigned communication threatening death, kidnaping, or personal injury for the purpose of extortion; the mail fraud statutes; and the statute which makes the theft of goods from interstate shipments a Federal offense.

The efforts of the Department of Justice to apprehend and punish those who violate these statutes are meeting with heartening success. During the fiscal year 1933, convictions were obtained in more than 95 percent of the cases in which persons were tried in the Federal courts for criminal offenses. A total of 3,896 convictions were obtained, and prison sentences were imposed which totaled 4,764 years, exclusive of probationary sentences totaling 2,659 years and suspended sentences of 1,149 years. The fines which were imposed aggregated $326,177.07. In addition, 1,163 Federal fugitives from justice were located.

Since the passage of the Federal kidnaping statute the Department has attempted, with the cooperation of State and local authorities, to bring to justice the participants in 27 kidnaping cases. In these 27 cases 56 convictions have been secured; 2 death sentences, 11 life sentences, and other prison sentences aggregating 924 years have been imposed; and 17 persons are now in custody awaiting trial.

Recently we presented to the present Congress a so-called "12-point" legislative program, consisting of bills which the Department was anxious to have enacted into law. This 12-point program deals with racketeering; transporting stolen property in interstate commerce; provisions strengthening the so-called "Lindbergh kidnaping statute"; fleeing from one State to another for the purpose of avoiding prosecution; burglarizing national banks; killing or assaulting a Federal officer while he is engaged in the performance of official duties; participation in a riot or escape at any Federal penal institution; the importation, manufacture, or sale of machine guns and concealable firearms; and matters of procedure and authority.

I am greatly pleased to report that practically all of these bills are in a fair way to become laws in the very near future.

In addition to the 12-point program, the Department of Justice is now suggesting to the Bureau of the Budget an appropriation for the purpose of permitting the Department to increase its force and modernize its equipment. This appropriation, if made by the Congress, will enable the Department to employ 270 additional investigators, and to purchase the following equipment: 20 armored automobiles, 200 fast cars, 110 two-way automobile radio sets, 70 monitor automatic rifles, and 70 submachine guns. Both the men and the equipment are urgently needed. At the present time the Division of Investigation has only 419 investigators for a country that covers more than three and one half million square miles and numbers more than 125,000,000 people.

The War Department has generously offered to the Department of Justice the use of Army planes in emergency situations.

The campaign upon which we have embarked includes, as a cardinal feature, a program of complete and friendly cooperation with the law enforcement agencies of the several States and municipalities. Moreover, the facilities of the Department of Justice are always at the disposal of these agencies.

Especially useful is the Identification Unit of the Department of Justice. This unit has on file more than 4,000,000 fingerprint records of criminals, representing the largest and most complete collection of its kind in the world, and is receiving each day additional criminal identification data from more than 6,400 contributors in the United States and foreign countries. These records are available, without cost, to law-enforcement officials throughout the country. Each inquiry addressed to the Identification Unit by any officer of the law is replied to within 36 hours after its receipt.

A uniform crime reporting system is also maintained for the collection, analysis, and dissemination of data concerning the volume, nature, and fluctuation of crime. The statistical section receives reports of crime conditions from the police departments of more than 1,600 cities and, after compiling these records, publishes the results in a quarterly bulletin entitled "Uniform Crime Reports." These bulletins are furnished to law-enforcement agencies in all parts of the country.

A technical laboratory has been established for research work. Here experiments are conducted with advanced scientific equipment, and the results of the tests are made available to all law-enforcement officials.

In a radio address several months ago, I stated that the Department of Justice was contemplating the organization of a national institute of criminology. Since that time further consideration has been given to the matter, and plans are now being made which look toward its establishment. The functions of the new organization will be: (a) To assemble, digest, and translate into practical form reports of improvements in the various branches of the administration of criminal justice, such as police, prosecution, court organization and administration, probation, parole, penocorrectional institutions and experiments, and the pardoning function; (b) to educate civic organizations in different parts of the country as to the nature of these materials, their availability, and how they may be used locally to improve the administration of criminal justice and to help in the prevention of delinquency and criminality; (c) to conduct a training school where specially qualified officers, Federal, State, and municipal, may study scientific methods of crime repression and prevention. A primary concern of the proposed new unit of the Department of Justice will be the development of methods for dealing effectively with young predelinquents and delinquents, thereby tending to check crime at the source.

The Department of Justice and the law-enforcement agencies of the several States must be supported by an informed public opinion if the efforts to repress and prevent crime are to succeed. Moreover, we must put an end to the day when public prosecutors and peace officers fraternize with known gangsters and killers; when jails and penitentiaries are like sieves from which the instructed criminal readily escapes; when a newsreel picture of a notorious desperado is applauded in a motion-picture theater; when a petition for the pardon of a vicious murderer, even before his capture, is circulated and signed by hundreds of citizens; when politicians ally themselves with kidnapers and extortioners and dispose of the "hot" money which these dastardly enemies of society obtain from their victims; and when physicians and lawyers lend aid and assistance to fugitives from justice. Moreover, it is imperative that we put an end to the maudlin glorification of the criminal. The gangster is not a romantic hero as he is too often depicted by the thoughtless or irresponsible. On the contrary, he is usually a coward at heart and always a public enemy. The path to a better ordered and safer society is beset by many difficulties, but with a long pull and a strong pull and a pull altogether, we shall not fail.

PROTECTION AGAINST DISCRIMINATORY AND EXTRATERRITORIAL TAXES

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD and to lie on the table a statement by me as to the purpose of section 103 of the Revenue Act of 1934, to afford to American citizens and corporations trading abroad a certain protection against discriminations and extraterritorial taxes of any foreign country.

There being no objection, the statement was ordered to lie on the table and to be printed in the RECORD, as follows:

SECTION 103, REVENUE BILL OF 1934—RATES OF TAX ON CITIZENS AND CORPORATIONS OF CERTAIN FOREIGN COUNTRIES

1. Amendments to section 103, reported by the Senate Finance Committee: The purpose of section 103 is to afford to American citizens and corporations who are trading abroad a certain protection against discriminatory and extraterritorial taxes of any foreign country. The section provides that if the President finds that under the laws of any foreign country American citizens or corporations are being subjected to discriminatory or extraterritorial taxes, he shall so proclaim, and thereupon citizens and corporations of such foreign country shall be subject to an additional income tax, equal to the income tax otherwise imposed upon the citizens and corporations of that foreign country.

The bill as passed by the House of Representatives covered only discriminatory taxes and fixed the additional tax rate at 50 percent of the present tax. The Senate Finance Committee amendments extend the section to cover also extraterritorial taxes and increase the rates of additional tax to 100 percent of the present tax. Both of these amendments were approved, first, because it is necessary to complete the description of the character of such unjust taxes to which Americans may be subjected; and second, in order to make the additional tax sufficiently heavy to act as an efficient deterrent against such taxes.

2. Discussion of discriminatory and extraterritorial taxes: This section is a wise provision, supplementary to other measures now being adopted by our Government to promote our foreign trade. It is now realized that we cannot return to our former well-being unless we go beyond our own frontiers into foreign markets to sell the goods we cannot consume at home. Our predepression standard of living was dependent upon our trading in all parts of the world; our workmen on the farm and in the factory are not likely again to enjoy the high wages and benefits of the twenties unless their employers once more sell their products in the highly competitive and usually well-protected markets of the western world, South America, and the Orient.

The recapturing of foreign markets requires much more than loading goods on ships and the will to sell. As is well known,

many countries now impose large or even prohibitive tariffs, and also limit, by means of a quota, the amount of goods that can be imported into their borders. Where a product can be imported into a foreign country despite the tariff and the quota, it encounters the internal taxes of the country. So long as these internal taxes are no greater than those paid by the local producer, the American importing goods into the foreign country has no cause for complaint, even though these taxes be heavy. However, when the American encounters a tax which, by its terms, lays a peculiar and onerous burden on him, not borne by others, he is placed in a position where it is always difficult and often impossible to do business. Such situations exist today, and it is these situations to which section 103 is directed.

The term "discriminatory taxes" is intended to mean those taxes of a foreign country which are so framed, imposed, and enforced as to result in a special tax burden upon American concerns, greater than those imposed on the enterprises of that country or of the most-favored nation. The term "extraterritorial taxes" is intended to mean those taxes which so flagrantly violate accepted rules and concepts of law with respect to the amount of income or other subject matter held to be properly within the taxing jurisdiction of the country as to amount to laying taxes beyond the territorial limitations of the country and upon income or property without its borders. An example of a discriminatory tax is one which operates to lay on American concerns higher taxes than that imposed on national enterprises of the taxing country, or on enterprises of a third country. An example of an extraterritorial tax would be a tax upon an American concern in respect of the income or property of any phase of its activities which is clearly beyond the proper taxing jurisdiction of the country imposing the tax.

FRENCH DIVIDEND TAXATION

France has a corporation income tax at the rate of 15 percent. In addition, there is another tax upon corporations at the rate of 16 percent upon the amounts of dividends and interest paid by that corporation. These taxes are payable alike by French corporations and foreign corporations doing business in France, and the American corporation that does business in France has no just cause for complaint against the payment of these taxes. However, in addition to this, the French taxing authorities are now endeavoring to collect a second dividend tax of 16 percent upon American corporations. Many American corporations have found it advisable to set up a French subsidiary to do business in France. This subsidiary pays the 15 percent income tax and also the 16 percent dividend tax on the dividends it declared to the American parent corporation. The French tax administration has asserted within the last few years a new construction of an old law of June 29, 1872. It apparently considers that the American parent corporation which has a French subsidiary is really doing business in France and that therefore it should pay the 16 percent dividend tax on a proportion of all dividends declared and paid by it in the United States to its American stockholders. It is fair to say that probably the best legal opinion in France among members of the French bar is that this is an incorrect interpretation of the law, but the fact remains that the authorities are endeavoring to collect such taxes. It has been estimated that the total of the amounts which French tax authorities are now endeavoring to collect from American corporations on this theory is in excess of 1,500,000,000 francs. Some of these assessments are being tested in the courts. The leading case is that of the Boston Blacking Co., which has been pending for several years in the Court of Cassation (the supreme court of France) but is still not finally decided.

This tax is discriminatory because it is not imposed on French companies with French subsidiaries. It is also very obviously an extraterritorial tax because it is laid upon dividends and interest paid in the United States by an American corporation to American shareholders and bondholders, and even without regard as to whether an equivalent amount of income was received from the French subsidiary. According to all generally accepted principles, such a levy is without the jurisdiction of France and invades the territorial jurisdiction of the United States.

After the action of the French authorities was instituted, our Government made representations, and as a result thereof, a treaty was negotiated between France and the United States in 1930, was signed in April 1932, and was ratified by the United States Senate on June 15, 1932, without dissenting vote. The treaty has not yet been ratified by the French Parliament, in spite of any efforts on the part of the United States to obtain such ratification. This treaty provides, among other things, that if an American concern has a branch (which is not a subsidiary) in France, it will pay the 15-percent tax on the net profits of the branch and a 16-percent tax upon three quarters of that income, on the assumption that this will approximate the amount ordinarily declared out in dividends. If there is a French subsidiary, the dividend tax will be payable on the dividend actually paid by it, but no tax will be payable by the American parent corporation. These two provisions are permissive in that the American corporation may declare its desire to be taxed in accordance with those provisions. While I have spoken of this as a tax upon dividends, it also applies to interest paid by the corporation. If this treaty were ratified, the controversy with respect to this tax would be satisfactorily settled.

3. Other cases of discriminatory or extraterritorial taxes: There are other cases of discriminatory or extraterritorial taxes; but the question is a somewhat technical one, and it would take too much time to enter into a complicated discussion of this character, even if I were an expert qualified to discuss it from the technical point of view. I am not prepared to assert at the present time that there is or is not any tax other than the French tax to which I have referred, which should properly be now held to be of this character, but I am inclined to believe that there is no other situation at the present moment sufficiently grave or acute to warrant special reference to it. Section 103 is, however, in my opinion, a necessary and useful means of protection against all situations of such character.

4. Intended operation of section 103: Fair principles of taxation have been laid down in a large number of bilateral treaties affecting the question of international double taxation. The fundamental principles of jurisdiction and methods of allocation in the revenue acts of the United States are for the most part fully in accord with the generally accepted and sound principles governing such questions. Consequently, the President will have generally accepted criteria for determining whether a foreign tax is discriminatory or extraterritorial. The intent of section 103 is that if the attention of the President is directed to a foreign tax which seems to so flagrantly violate accepted criteria of international taxation as to bring it within the category of a discriminatory or extraterritorial tax, he will cause inquiry to be made into the situation for the purpose of determining whether, as a matter of fact, American citizens or corporations are being actually subjected to such discriminatory or extraterritorial taxes. It would seem natural that in the course of such an investigation representations or inquiries would be made to the government of a foreign country, or the matter would otherwise come to its attention, and that an opportunity would be given for the foreign country to remove the discriminatory or extraterritorial features of its tax. It would also seem natural that the President, through his executive offices, might obtain an agreement from such foreign country to remove such features. If this were done, there would be no occasion for the President to issue such proclamation, and the section would have accomplished its result in an amicable manner. It would be only cases where the foreign country persisted in its efforts to collect such unjust taxes from American corporations that it would be necessary to issue the proclamation, with the consequent extra burden of taxation thereby imposed upon the citizens and corporations of such foreign countries.

I am informed that the treaty with France was presented for ratification to the French Parliament on or about March 15, but was not acted upon because of the adjournment of the Parliament. Ratification of this treaty by the French Parliament in the near future would clearly make unnecessary a proclamation by the President under this section.

CALL OF THE ROLL

Mr. NYE obtained the floor.

Mr. HARRISON. Mr. President, I understood the Senator from West Virginia [Mr. HATFIELD] was going to proceed this morning. I suggest the absence of a quorum.

The VICE PRESIDENT. May the Chair say to the Senator from Mississippi that the Senator from North Dakota [Mr. NYE] said he thought he ought to have the floor, in view of the fact that he did not complete his remarks yesterday but yielded for the purpose of considering the proposed amendment to the Constitution. That is the understanding of the Chair.

Mr. HARRISON. Mr. President, I want to say something about that, but for the present I suggest the absence of a quorum.

The VICE PRESIDENT. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hayden	Reynolds
Ashurst	Couzens	Johnson	Robinson, Ark.
Austin	Cutting	Kean	Robinson, Ind.
Bachman	Davis	Keyes	Russell
Bailey	Dickinson	King	Schall
Bankhead	Dieterich	Logan	Sheppard
Barbour	Dill	Lonergan	Shipstead
Barkley	Duffy	Long	Smith
Black	Erickson	McCarran	Steiwer
Bone	Fess	McGill	Stephens
Borah	Fletcher	McKellar	Thomas, Okla.
Brown	Frazier	McNary	Thomas, Utah
Bulkley	George	Metcalf	Thompson
Bulow	Gibson	Neely	Townsend
Byrd	Glass	Norbeck	Tydings
Byrnes	Goldsborough	Norris	Vandenberg
Capper	Gore	Nye	Van Nuys
Carey	Hale	O'Mahoney	Wagner
Clark	Harrison	Overton	Walcott
Connally	Hastings	Patterson	Walsh
Coolidge	Hatch	Pittman	Wheeler
Copeland	Hatfield	Pope	White

Mr. ROBINSON of Arkansas. I wish to announce that the Senator from California [Mr. MCADOO] is absent because of illness, and that the Senator from Florida [Mr. TRAMMELL], the Senator from Iowa [Mr. MURPHY], and the junior Senator from Arkansas [Mrs. CARAWAY] are neces-

sarily detained from the Senate. I ask that this announcement may stand for the day.

Mr. KING. I announce the absence of the Senator from Oklahoma [Mr. THOMAS], the Senator from New York [Mr. COPELAND], the Senator from Virginia [Mr. GLASS], and the Senator from New Hampshire [Mr. KEYES], in attendance upon a conference committee.

Mr. DIETERICH. I desire to announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is absent on important public business in his State.

Mr. FESS. I announce that the Senator from Rhode Island [Mr. HEBERT] is absent on account of illness, and that the Senator from Pennsylvania [Mr. REED] and the Senator from Wisconsin [Mr. LA FOLLETTE] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present. The Senator from North Dakota [Mr. NYE] has the floor.

THE NATIONAL INDUSTRIAL RECOVERY ACT

Mr. NYE. Mr. President, the press this morning announces the abolition of the N.R.A. compliance board as having been ordered yesterday by Gen. Hugh S. Johnson in a major reorganization step that included a move to rationalize the service codes. The work of the board, so the dispatch declares, will be taken over by the recently formed compliance division. The order summarily removed William H. Davis, board director, who incurred Johnson's displeasure for his decisions in recent compliance cases.

I know nothing of the merit of the compliance board or of Mr. Davis. Perhaps his discharge is entirely deserved by reason of his record and the record of his board. Possibly, also, Mr. Davis is being discharged before he has an opportunity to quit, as we understand so many of the more important figures in the N.R.A. organization are planning immediately following the adjournment of Congress to sever their connection with the N.R.A. But if it be, as it may well be, merely the case of another official being discharged because he disagreed with General Johnson, then I should like to suggest what a marvelous display we would have if General Johnson could discharge any and all individuals, boards, and commissions who or which have disagreed with him in his administration of N.R.A.

First of all, if it were left to Mr. Johnson, there would be an immediate beheading of this, as Mr. Richberg calls it, "Anarchistic Darrow Review Board." Then, in the second place, I presume it would be entirely agreeable to Mr. Johnson if there could be decreed the death of the Consumers' Advisory Board, which he himself created within N.R.A., but whose recommendations he has not heeded in any such degree as to invite the continued confidence of that particular board.

Then, with the review board and the Consumers' Advisory Council removed from the picture, General Johnson would undoubtedly bring about, if he could, as he can, the discharge of the Research and Planning Commission, which he created within N.R.A. The Research and Planning Commission is another one of those creatures set up to do worth-while things, but whose recommendations have not been worth shaking one's finger at so far as General Johnson's attitude has been concerned.

Then, having accomplished the discharge and discontinuation of those boards and commissions, of course, General Johnson would want to do away with and would want to accomplish the outright junking of the terrible Federal Trade Commission which has so thoroughly disagreed with him respecting the making and enforcement of many of the codes.

With all that done, of course, there would remain one thing for General Johnson to do, and that would be to abolish, by constitutional amendment, the Congress of the United States, or, failing in that, at least to get rid of the Congress for the summer. Then, having accomplished that object, General Johnson, of course, would want to expedite with all the power at his command the departure of the President for Hawaii for many, many weeks. What a delightful opportunity then would exist for General Johnson, Mr. Richberg, and their associates within N.R.A. What a marvelous opportunity to demonstrate what "cracking down" can really mean. With that sort of opportunity, and in the light of what has happened in the past, it is fair to assume that small business enterprises in America would experience such a storm as they have never known could exist in this great land of the free and home of the brave.

Mr. LONG rose.

The PRESIDING OFFICER (Mr. NORRIS in the chair). Does the Senator from North Dakota yield to the Senator from Louisiana?

Mr. NYE. I will yield to the Senator from Louisiana in just a moment.

Under such favorable conditions General Johnson, of course, could perform for the interests of monopoly a much finer service than he has been able to perform thus far with the boards, commissions, Congress, and the President himself on the ground and watching to see what was going on. Indeed, what a summer it would be for Johnson and Richberg. What a summer for the American plunderbund.

But I want to urge upon the President, if I can make my voice heard at the White House, that when Congress shall have gone and he is planning his departure for Hawaii, "For Heaven's sake, take Mr. Johnson along to Hawaii with you." Take him down there where perhaps he can find something to do in the way of creating a code for the Sugar Trust. I have not any doubt that the Pineapple Trust there would appreciate one of the fine monopolistic codes which have served so well those who have sought for years for favors they have not received until N.R.A. came into being under the kind of administration it has had.

I yield now to the Senator from Louisiana.

Mr. LONG. Mr. President, I understood the Senator to suggest that General Johnson would amend the Constitution in order to make his power more complete. The Senator might better suggest a less cumbersome system. The General does not need to go that route to amend the Constitution. That is no longer necessary. An Executive order has a great deal more effect than an amendment to the Constitution, especially more effect than a mere act of Congress. I think the Senator from North Dakota is not doing General Johnson justice, because an executive decree from the pen of Mr. "Hooey" Johnson, under the seal of N.R.A., wipes out State laws and State statutes, and at least shelves the Constitution.

Mr. NYE. I am exceedingly sorry if I am not doing General Johnson justice.

There is, it seems to me, one point upon which there is quite general agreement, and that is that N.R.A., under its leadership, has taken in far too much territory. I mean that originally it was intended that codes should be made to apply to a few of the outstanding industries in the country; that in those industries an effort should be made to accomplish those finer, fairer practices in trade which were so desperately needed in some lines. But, instead of confining the effort in the main to a program of doing away with child labor, bringing about shorter working hours, and a better minimum rate of wage—instead of confining themselves to those things, N.R.A. leadership became obsessed with the thought that every industry in the United States, no matter what its line of enterprise might be, should be brought under a code; and the codes have invariably worked terrible hardship upon people whom it never was intended should be jeopardized any further than they already were by the kind of competition which monopoly was affording.

The coremaking has been carried on to a point where enforcement is many times more difficult than was ever the problem of enforcing prohibition. America, it seems to me, pretty clearly determined that enforcement of the provisions of the prohibition amendment was utterly impossible, and the American people wanted to be done with it. In any event here we are today with a job on our hands, if we are sincere, of striving to enforce these many, many codes which have been provided, while on every hand is evidence galore that there not only is lack of enforcement but lack of any endeavor on the part of N.R.A. to enforce, particularly when

the complaints regarding compliance are filed against the big favored ones who have fared so well under the code system.

In the matter of enforcement there have been numerous instances where some little cleaner or pants presser in the country has been dragged into court and made the subject of large headline display and punished for having pressed a pair of pants for 45 cents when the code said he should charge 50 cents.

But when the great industries, when our great American monopolists, have operated under their codes in a way that has invited complaint, as complaints have been filed by the thousand, there has been hardly a finger raised by N.R.A. to enforce compliance or even to call to the attention of those monopolists that they were betraying the faith and confidence which had been bestowed when they were given one of the codes under which business was going to regulate itself. Enforcement has been most partial.

Mr. President, I am reliably advised that departments of N.R.A. have received complaints literally by the thousand regarding refusal or failure of business to comply with codes; that N.R.A. officials who have been in line to receive these complaints have tried diligently to get the ear of General Johnson and have him give heed to the complaints which were coming in, but all to no avail. General Johnson has no time for smaller things like that. There are bigger things to be done, and the matter of compliance with codes can wait until others can take care of it.

Mr. President, I challenge the Administrator of N.R.A. to publish a complete showing of the percentage of settlements which have been accomplished out of the compliance complaints which have been filed. In the Pittsburgh area alone it can be shown that in not more than 9 percent of the cases have complaints been received by N.R.A. and prosecuted to accomplished enforcement with any success whatsoever. The delays which accompany these appeals for compliance are, of course, to those who are trying to play ball, who are trying to do their part, distressing, provoking to a degree that finds today those people demoralized who a few weeks ago were overly anxious to cooperate and do their part to accomplish national recovery. Their spirit—and my mail reveals it more and more every morning—is quite completely crushed; their hopes are quite completely vanished, as respects accomplishment under the National Recovery set-up in the hands of those who are administering it at the present time.

Confidence that fair play would be the accomplishment on every hand has vanished. It has flown. It does not exist as it did a few weeks ago, all for one reason—all because it has fast dawned upon the American people that N.R.A. is in the hands of its enemies, not in the hands of those who would make N.R.A. accomplish the things which Congress had in mind when it created the machinery which has afforded this recovery set-up. There is not a sincere desire, it seems, to enforce upon big offenders under the code as there is desire to enforce here and there a code as it applies to some smaller, lesser offender.

Today we are confronted by a thing which seems to me most important for our congressional consideration. Big business has been kept in some little order during the formation of these codes and during the life under the codes up to this time. It has hesitated to go forward as it would like to go forward and reap the whole benefit that might come to it under the code. It has feared to do so because it has recognized that the President sat back there in his place with a club—a club in the form of a licensing feature that he could invoke if business would not behave itself.

Now, we are told by General Johnson that there is no longer need for this licensing feature. He is not going to ask Congress to renew it. He has made it rather clear that he is not going to ask Congress for a renewal, because he realizes that if Congress goes into this thing in any small part, Heaven alone knows what Congress is going to do to the entire machinery of N.R.A. He does not openly declare that this is the reason for not asking for renewal of the licensing feature. Instead, he says, "We do not need it"; and when he says, "We do not need it", he speaks the wishes, he speaks the interests of the great monopolists of America, who have enthroned themselves as never before under these codes, who have gone out and created the codes, who have chosen the men who are to sit on these code authorities.

Mr. LONG. Mr. President——

Mr. NYE. The monopolist today finds himself with a marvelous opportunity, if no one interferes with him, to go forward as he has never gone forward before in reaping for the executives of his corporation larger bonuses, in reaping for his stockholders larger dividend checks, but he is not at any time particularly interested in the size of the pay checks of the employees of his corporation. So do not, for heaven's sake, give back to the President of the United States the licensing club which he could use if big business should take very unfair advantage under these codes. With the death of the licensing feature, which is only a week or two away, business will be able to say, "Now we have the whole machinery. N.R.A. and all its advantages which we have created are ours; and there is not a power on earth that can interfere with us, no matter how brazen the American public may feel we have become in our profiteering under these codes."

Mr. LONG. Mr. President——

Mr. NYE. I yield to the Senator from Louisiana.

Mr. LONG. I wanted to say to the Senator, in line with his remarks about monopolists proceeding with the power of the Government, that the independent oil people of the Southern and Southwestern States made a fight extending over 20 years to try to get some regulation against the monopolistic practices of the Oil Trust. Some of those battles were waged over many years. We suddenly found every bit of our legislation wiped out in one of the far-reaching regulations under this code provision, and the Oil Trust became the power of the Government, upsetting our State law and paying practically no attention to it, although we thought we had written into the national law something that would compel them to make their pipe lines a common utility; but nothing of the kind happened. They just used the law to undo what the State had done up to that time.

Mr. NYE. Mr. President, reverting to the evident desire of business to get away from the licensing feature, and to deny to the President a renewal of the privilege which is now his to license and in that manner to govern business and the use it makes of these codes, I desire to say that if Congress can shut its eyes, if Congress can just blind itself to what may be in the making, and can rush away from here without taking any action, without doing anything that will seem to curb those who are riding so high these days, if I am not mistaken Congress sooner or later will have its eyes opened to the fact that it overlooked an opportunity to salvage, that it overlooked an opportunity to save those things within N.R.A. that are worth saving, that ought to be saved. It will awaken to the fact that the entire ship has gone down under a policy of cracking down so severe that the only hope, the only accomplishment hoped for, is that of a cracking-up of the entire structure.

General Johnson and his associates declare that the Darrow Review Board's findings reveal no substantial showing of monopoly. Yet, Mr. President, close study of the Darrow Review Board's report reveals that existing monopoly has been placed in a much stronger position than it ever before has occupied, and reveals further that in fields where monopoly has not existed particularly in the past, new fields for monopoly are being created. The Review Board has found most emphatic evidence that some of the codes are in aid of monopoly and oppressive of small industry; but the General, in that military spirit, is not going to admit that he has made any mistakes, is not going to admit that anyone can discover that anything he has done has been wrong. Boldly and brazenly he is going to insist upon the public accepting him as being one who could not make a mistake, one who is the victim of those who would cause him political embarrassment and cause the administration political embarrassment. Like the general of all times who has gone out with his forces upon the battlefield, he may

foolishly surrender the lives of thousands upon thousands of his men, but he never admits during his lifetime that he made a mistake. He will always insist that if he had it to do over again, he would do it in the same identical way.

Mr. President, from day to day, and with the very best of intent, I shall seek minutes of the time of the Senate to discuss the Review Board's findings as they relate to the various codes that have been studied, and to concern myself with the replies to those findings and those studies which have come from Mr. Johnson, Mr. Richberg, and other lesser lights in the N.R.A. organization.

Today I had planned to discuss the findings of the Board as they relate to the steel code. I am going to beg another day of time to prepare to do that very thing; but in that connection I do think attention ought to be called to the fact that the counsel for N.R.A., Mr. Richberg, has very viciously attacked the Federal Trade Commission because of the Federal Trade Commission's findings respecting monopoly being permitted to continue to exist by the N.R.A. code which the steel industry has won. Why does he object? Again because it must not, at this stage of the N.R.A. campaign, be admitted that monopoly has enjoyed any favor under N.R.A. More than that, there has existed from the beginning a terrible jealousy on the part of N.R.A. toward the Federal Trade Commission. An attitude has been assumed in N.R.A. that has said in effect, "The Federal Trade Commission does not know what it is talking about. The Federal Trade Commission has not caught up with the new spirit, with the new deal. We are going to ignore the Federal Trade Commission, because they are not in step with the present day and with the trend of this hour of the new deal."

But, regardless of what Mr. Richberg may say about the steel code, I say, Mr. President, that the steel code has given greater favor to monopoly than monopoly has ever enjoyed heretofore at the hands of Government. Never has anything of its kind been permitted by the Government as it is being practiced day after day with the aid of Government by the great steel corporations today.

I think perhaps, rather than discuss at this time the report of the Darrow Board as it relates to the steel code, I can better read an article appearing in the May 23, 1934, issue of the Nation under the title, "Magna Carta of Monopoly." It has to do with the steel code. Incidentally they are still spelling it "s-t-e-e-l"; but sooner or later the public, when it refers to the steel code, is going to refer to it as the "s-t-e-a-l" code. The American people have had burdened upon them, by reason of this steel code, such monopoly as the Nation has never before known. I hope the Senate will follow this story by the editors of the Nation:

> During the feverish days when leaders of the steel industry were discussing the proposed code of fair competition prior to its submission to the N.R.A., one of the lesser rulers asked one of the greater ones to explain a certain obscure provision. The latter replied without a moment's hesitation: "There is no mystery about this code. It just means that the industry is going to be run as it always has been run, only more so." The last three words furnish the key to an understanding of the steel code, and, indeed, to an understanding of the basic philosophy of the industry for the last three decades. This philosophy has always placed primary emphasis upon preservation of the status quo in prices, in production, in markets, and in the corporate and geographic structure of the industry. The cardinal sin has been for one producer to "get more than his share of the business", especially if the additional orders were obtained by quoting prices lower than his competitors. Competition in any form has come to be regarded as at best an ungentlemanly practice; albeit no member of the industry can claim to have behaved always as a gentleman should.
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> It is not surprising, therefore, that after a formal and hypocritical obeisance in the direction of collective bargaining the steel code should be concerned primarily with the creation of an almost perfect technique whereby prices can be controlled by the dominant interests of the industry. Even in these days of economic and legal miracles, however, it is almost incredible that this Magna Carta of monopoly should have been written into the law of the land with the solemn assurance of the Administrator of the N.R.A. that it would not "permit monopolies or monopolistic practices."

Let it be borne in mind that every code which has been carried by General Johnson to the President for his approval has had to be accompanied by a certificate that nothing in the code would permit monopolies or monopolistic practices. But let us see what got into this one lone code—and what got into that code in very large measure got into other codes:

> The system for price quotation established in the code is designed to result in uniform delivered prices on any one product to any one buyer. It commences with the requirement that each producer must file a quotation on each of his products with the board of directors of the American Iron and Steel Institute, which is the code authority of the industry. Producers may not, however, file or quote prices at their own mills, since that practice would make the goal of price uniformity difficult or impossible to achieve. Instead, prices must be quoted at certain common "basing points" established in the code. These basing-point quotations are either identical at the time they are filed or become so almost immediately, since producers are informed promptly of the prices quoted by their competitors. In view of the provision for a "10-day waiting period" before a new price can become effective, it is apparent that powerful group pressure can be brought to bear upon any chiseler who seeks to indulge in the unsportsmanlike practice of cutting prices.
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> If worst comes to worst and the recalcitrant member refuses to listen to reason, the most amazing provision of the entire code may be invoked. This permits the board of directors "to investigate any base price for any product at any basing point", and if it determines that such price is "an unfair base price * * * having regard to the cost of manufacturing such product", the board "may require" the seller to file a new base quotation which the board considers fair. If this fails, the board is empowered to fix a "fair base quotation" which "shall be the base price" of the erring member until changed as provided in the code.
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> When it is remembered that the system established in the code, of plural voting based upon volume of sales, is such as to insure control by the two or three largest steel producers, and that the Government representatives who attend meetings of the code authority have no authority to veto or modify its actions, it is impossible to escape the conclusion that the steel code not only permits "monopolistic practices" but actually establishes and legalizes a full-fledged monopoly.

I remind the Senate that the publication from which I read is the current number of The Nation, the pages of which have contained eloquent eulogies of Gen. Hugh S. Johnson, the pages of which have severely attacked critics of General Johnson and the policies he has been pursuing under N.R.A.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. NYE. I gladly yield.

Mr. VANDENBERG. Is there any doubt that the process which the Senator is describing would be a criminal offense under the statutes of the United States if it were not for the temporary repeal of the antitrust laws under the N.R.A. Act?

Mr. NYE. My answer is that there is no question whatsoever about that.

Mr. VANDENBERG. In other words, they would be eligible for the penitentiary?

Mr. NYE. They would be eligible for the penitentiary, quite so; but under the N.R.A. they enjoy the blessing of Government to go ahead and entrench themselves more and more thoroughly, and agents for the Government, like General Johnson, look on and smile and say, "Go ahead, boys, and enjoy the picking while the picking is good."

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. HATFIELD. Has the Senator any figures or facts which would give a citizen any information as to how much this type of industry is paying for such immunity in the way of code administration?

Mr. NYE. I am sorry to have to say to the Senator that I do not have that information, but it is information which the Senate ought to have, not only with respects to this one code but as to all of them, and I repeat, if Congress hastens itself out of Washington, leaves here with its eyes closed to the seriousness of this situation, it will come back in the fall much wiser, but regretting that it did not act while there was time to act.

Mr. HATFIELD. I may say to the Senator that while my information may not be accurate, I have heard it stated that the administration of the codes as they are now being operated is costing something in excess of a billion dollars a year.

It is not the industries which are paying this price, but it is the consumers who buy the products who are paying.

Mr. NYE. Always the consumer pays the bill.

I continue reading from this article in the current number of the Nation:

The powers of the code authority are not limited to the right to fix prices, nor does the system of price control end with the establishment of uniform quotations at the basing points. From the time the base quotations are filed, the code itself prescribes in meticulous detail the various additional charges according to which the ultimate delivered price is automatically calculated. Price identity is further maintained by the establishment and control of resale prices on steel products sold through jobbers, by rigid regulation and specification of terms of sale, cash discounts, credit terms, maximum deductions, and minimum charges for "extras." Price-cutting loopholes of almost every conceivable variety have been foreseen and corked up. In every phase of the administration of the code enormous powers are given to the board of directors of the steel institute.

Spelled again, "s-t-e-e-l."

It combines within itself the functions of policeman, prosecuting attorney, judge, and jury, as well as certain legislative powers, all of which in the aggregate give it absolute control not only over the economic destinies of the firms in the industry but over consumers of steel, transportation agencies, and, indeed, the economic welfare of entire communities.

The steel code originally went into effect on August 19, 1933, for a 90-day trial period, at the end of which it was again extended to May 31, 1934. The N.R.A. must now recommend to the President whether the code shall be canceled, revised, or extended.

The N.R.A. must now recommend to the President whether the code shall be canceled, revised, or extended.

I want to impress upon the Senate that point. The privileges under that code run only to the 29th day of this month. I shall make reference to that a little later.

Assuming that the administration has no present intention of abandoning its experiment with "codes of fair competition", three courses of action appear to be possible—all of them beset with difficulties. The steel code can be extended without substantial modification, in which case the administration will find it difficult to refuse to extend to other industries the "privileges" which have been accorded to the steel industry. The Administrator can attempt to secure substantial modification of the code, involving the elimination of price-fixing and other monopolistic provisions. Or the Government can confer upon the steel industry the status of a public utility, which would involve the same kind of control by it over prices and competitive practices as is now exercised over the railroads through the Interstate Commerce Commission.

Obviously the steel industry will not willingly accept either of the last two alternatives, and a recent comment by General Johnson, to the effect that the code is in the main acceptable to him as it stands, suggests that he will not try for drastic changes through compulsion. That may be the easiest way out for him, but it is far from the best course from the standpoint of the public.

Is there monopoly? Have these codes created a monopoly? Is the Federal Trade Commission justified in the findings which it has made regarding the tendency to improve conditions for monopoly under the steel code? Is Mr. Richberg justified in attacking the Federal Trade Commission because it finds these practices existing under the steel code?

Mr. President, there is monopoly under these codes as there was never monopoly before, and when Mr. Richberg and his associates take the attitude they do in fighting every individual, in fighting every agency, official or organized, that dares to criticize them, they are engaging in nothing other than rank, base deception, as they have been since the middle of last fall.

But we are told in their way, "Oh, there are some things that are wrong. Surely some things are wrong, but we are going to make changes. We are going to correct those ills." I ask, when—pray tell, when are those changes coming? I have heard that kind of assurance since the middle of last August, and I have not seen in more than a very small percentage any fulfillment of the promises.

Very interesting indeed it is to note, Mr. President, that the steel code expires on May 29—this month. Their 90-day extension period is then up. A renewal is in order, or, as I read from the Nation, it is now up to the President to renew, extend, or cancel the steel code, which has worked such vicious hardship upon the buyers of steel and the consumers of America.

The price structure within that code is the heart of the code. Take away the ability of the steel industry to determine their basing points, to fix prices, and they will not tolerate a code. They have said as much. The N.R.A. officials, on the other hand, have declared time and time again, and the President has declared, that we had to get away from these price-fixing features and would get away from them.

On the 29th day of this month N.R.A. and the steel institute are "going to bat" regarding the renewal of that code. The steel institute is going to say to N.R.A.: "If you take out that price-fixing structure we will not concur in any code, and we will pull a 'Henry Ford' and go out on our own and conduct our own business. We are declining to cooperate with you unless you give us this thing which we want, this thing which we have had, and this thing which we are going to continue to have if we are going to play ball with you at all."

Might that give any special meaning to the urge and determination to get the Congress out of Washington, to get the President out of Washington, to get the Darrow Review Board out of Washington, to quiet for all time the Federal Trade Commission, to seal up in a room down there in the N.R.A. headquarters the Consumers' Advisory Council and the Planning and Coordinating Commissions?

Mr. President, it seems to me that the most embarrassing thing that can be upon the doorstep of Mr. Johnson on the 29th day of this month and thereafter is the existence of anybody in Washington that is going to stand in the way of his granting to the steel institute and the Steel Trust what they want if they are going to continue playing ball with N.R.A.

But the urge is upon us—get rid of the review board, cut off its head, do not tolerate it for a minute. It is anarchistic, it is socialistic, it is communistic. Get it out of the picture. They are embarassing us around here. And I rather guess, from what I see and hear, that they will be gotten out of the picture unless Congress or one or the other of the two Houses of the Congress shall stand up and protest against what is in prospect this summer, barring any actions or any precautions taken by Congress to still, to quiet, to control those who are exercising such damnable authority as was never before given into the hands of single individuals by Congress or this Government.

Mr. President, N.R.A. was going to afford larger employment; N.R.A. was conceived in an hour when we were agreed that there had been too much business for profit and too little business for the happiness and pleasure and comfort of the workers of America. Under the old deal, profit was the great cause of every move that the Congress made or that the agencies of the Government made in aiding business.

Moves were made which would bring about larger profits, create larger dividend checks; make it possible for Mr. Schwab and Mr. Grace to continue robbing their steel stockholders in the form of bonuses from year to year, bonuses which in 1 year, in Mr. Schwab's case, amounted, as I remember, to something like $1,600,000, in addition to the stupendous salary he was drawing.

Under the new deal, as administered by Gen. Hugh S. Johnson, "profit" remains the watchword, and the worker be damned! And sooner or later every American is going to know that to have been a fact and a practice under his administration up to this point.

Let us see what is happening under N.R.A. Let us see why it is that some few industrialists cheer N.R.A. while day after day the workers by the scores, by the thousands, are moving out on strike. In the current number of the Nation, May 23, which has been so friendly to N.R.A., which has upheld the hand of General Johnson at every turn, there is an editorial entitled "Where We Stand." Listen to it:

The individual worker in industry made no appreciable gain in real wages from March 1933, when the new deal began, to March 1934.

Do I need repeat that?

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. HATFIELD. Has not the worker actually lost because of the increase in the cost of living?

Mr. NYE. Let us see just what has happened according to this writer. Referring to the worker, he writes:

His average weekly wage increased 9.7 percent, but the cost of living rose 9.3. Hours of work were 2.4 percent shorter per week in March 1934, but they are being lengthened as productive activity increases. Over 10,900,000 workers are still unemployed. In February 1934, there were more families on relief, either direct or C.W.A., than in February of last year.

Mr. HATFIELD. Mr. President, will the Senator further yield?

Mr. NYE. I yield.

Mr. HATFIELD. While the hours were reduced, the workmen's wages were likewise reduced. In other words, the workman lost the opportunity to make wages during the hours he lost. When his hours were reduced, down went the wage he was paid.

Mr. NYE. Just so. The Nation editorial goes on:

These figures come not from sources opposed to the N.R.A. but from the Monthly Survey of Business issued by the American Federation of Labor, which has worked hand in glove with the administration. They are compiled from such stately authorities as the Annalist, the New York Times' weekly index, the National Industrial Conference Board, and the United States Government. From June to October 1933 hours were shortened, the number of unemployed was reduced from 13,689,000 to 10,122,000, and the total monthly income of workers in industry increased by $200,000,000. Employers, in desperation, were following Dr. Roosevelt's prescriptions.

After October * * * there was a change of policy in N.R.A.; emphasis was placed on assistance to vested interests. * * * This spring, with production and business activity rising, profits considerably higher than a year ago, business men were far more able to shorten work hours, and put men to work, but they are no longer willing to do so.

Between October and March, although business was steadily improving, the number of unemployed rose by 780,000.

We have said real wages did not rise during the year. But the profits of the first 51 industrial corporations to report their earnings for the first quarter of 1934 increased from $6,332,000 in 1933 to $18,740,000. Moreover, the Alexander Hamilton Institute points out that the value of output per man per hour in manufacturing industry increased considerably, both in the period of high industrial activity last spring and in the first month of this year. In February, the organization states, the value of output per man-hour warranted a 13.9 percent increase in wage rates. But the increase in productivity did not go into wages. It went into dividends. The survey cites a case history that is revealing. A certain large manufacturing corporation in the Middle West produced in 1932, 563,000 units at a cost of $752 per unit; in 1933, by increasing production to 869,000 units, costs were reduced to $567 per unit. The wage cost per unit was reduced from $254 to $197, or 22.6 percent, and the value produced per dollar paid in wages increased from $3.02 to $3.32, or 10 percent. But the wages were not increased; profits increased from $16,500,000 to $83,214,000 and an extra dividend was paid to the stockholders.

But nothing to the workers.

With such figures as these before him—

The editor of the Nation goes on—

how can Mr. Roosevelt fail to see that, instead of dropping the power to license business, he should insist that the Congress renew it? He should use that power to the full in forcing business to divide its profits now that there are profits and to create the mass purchasing power which, according to his own theory, capitalism must have in order to survive.

In the light of those facts, of profits increasing from $16,000,000 to $83,000,000, with no increase for the wage earner, why should we wonder that more and more frequently strikes are springing up all over this country, displeasure is coming to the surface, men are showing a fighting spirit and a madness that might easily lead us to most severe consequences during the summer and fall unless remedies may be applied.

Mr. President, from day to day I plan to discuss the various codes which have been reviewed by the Darrow review board, and the responses which have been made by the N.R.A. and other agencies to the findings of that board. I mean to discuss the bituminous code in which the Darrow board recommend the discharge of certain code authorities for malfeasance in office. N.R.A. laughs it off, but let it be said that the Department of Justice sent to the Pittsburgh area men to investigate the charges which have been preferred, and those Department agents are now there, studying the situation to ascertain directly and definitely what are the facts. Let us hope that it means that there will quickly be accomplished the elimination from this program of those men who have so abused the privilege which was theirs by reason of their membership upon a code authority.

I mean, too, to discuss from the standpoint of the Darrow review board's views and the responses made by governmental agencies, the ice code, the steel code, the cleaning-and-dyeing code, the electrical-manufacturing code, and the other codes which have been reviewed by the Darrow board. Today I am going to confine myself briefly to the moving-picture code which was reviewed by the Darrow review board and which has been commented on by Mr. Johnson, Mr. Richberg, and the Deputy Administrator Mr. Rosenblatt.

The moving-picture code is a splendid example of what some people seem to mean when they refer to the self-regulation of business. The booking situation existing in the moving-picture field has been such in times past that it has occasioned endless consideration of legislation looking to the correction of the abuses which existed under the plans which were being pursued. Now, under the code there has been an enlargment of the abuses about which we have known all these years, and we have placed into the hands of the so-called "code authority of the moving-picture code" the power to go out and regulate itself. When we see how they are doing the job we are straightway forced to go back to the words uttered by President Roosevelt himself, when he declared most emphatically that no business has ever been known to purge itself of its own iniquities; and yet the most iniquitous ones of the whole lot are back there in a most powerful position today by reason of these codes, governing themselves; correcting the iniquities within their own ranks.

Mr. President, 66 pages or more than 40 percent of the entire response of the National Recovery Administration to the report of the National Recovery Review Board consists of extravagant lines by the Deputy Administrator in charge of the motion-picture code, Mr. Rosenblatt. In addition to devoting numerous paragraphs throughout the report to self-commendation, he has devoted the entire final 20 pages of his comments to the erection of a memorial in honor of himself. He reaches his complimentary peak on page 54 of that report where he claims a status to which I will admit he may be entitled. I read that climax:

"Fools rush in where angels fear to tread." How much wiser is the man who rushes in where angels have already trodden.

The Deputy Administrator first concerns himself with the length of the hearings conducted by the Board as contrasted with the "79 days and nights of continuous labor upon the code" accepted by "the overwhelming majority" of all interests in the industry. All this would appear to be beside the point, in view of the undisputed fact that there are numerous complaints against the provisions of this code.

I am prepared to agree with the Deputy Administrator's description of the number and variety of problems involved in preparing the code for this industry, but I cannot permit the presumption to arise that because of the long period of its consideration the resultant code is sublimely endowed with celestial perfection.

The deputy is greatly concerned in his comments about the Board's treatment of the statement of the seven producing companies, which was filed at the end of the hearing. Contrary to his conception of the agreement as to its treatment, the record shows that it was not to be received as evidence, but in lieu of agreement of counsel at the conclusion of the hearings. Obviously, argument of counsel can have no probative value.

The deputy can make no point of the testimony being unsworn, inasmuch as N.R.A. witnesses are not sworn; nor can he object to the lack of cross-examination at this hearing, since he could have examined if he had chosen to enter his appearance.

The deputy seeks to mislead the reader by claiming the Review Board's report admits (p. 76 of the report) that the

great majority of the sections of the code favor exhibitors. An examination of the report discloses no such admission. On the contrary, the report contains vigorous and detailed denials that any section favors anyone but the distributors.

Part III of the deputy's response announces that "the report of the National Recovery Review Board is based on false testimony", and proceeds to attack isolated statements of some witnesses, which statements are not necessary to support the Board's findings. What a pity, what a pity, indeed, the deputy himself was too busy to attend the hearings so as to put in evidence these inconsequential objections! Their presence in the record would more clearly demonstrate his most feeble defense.

Part IV of his response, under the title "Repudiation of Complaining Witnesses by Independent Exhibitors" is a continuation of the deputy's persistent policy of damning all protesting minorities.

The contrasting of the solvency of the independents with the insolvency and bankruptcy of the large producers is misleading, since it assumes that the producers achieve their present status as a natural result of business competition. Anyone familiar with the stock manipulations of the large companies could speedily correct such a fraudulent inference.

Part V of Mr. Rosenblatt's response, under the title "Analysis of the Recommendations of the Report" (p. 46), is an analysis in name only. The deputy in this section takes up each revision suggested by the Review Board's report and discusses it in his inimitably evasive manner. In view of the indisputable fairness of the suggested revisions, it would appear that the deputy's almost profane attack upon them is considerably colored by his deserved fear for his own job. His unreasonable attitude in the matter is strikingly portrayed on page 54, wherein he upbraids the Board for withholding a report as to the labor provisions. He devotes two pages to rantings and ravings concerning attacks upon the labor provisions, when not a single recommendation in regard to these provisions is contained in the report of the Review Board. Literally he has a "chip on his shoulder" and will not agree with the Review Board or anyone else who may seek to criticize his acts.

As to the other parts of the "analysis", they consist of frantic defenses based on unfair statements of conditions and only partial quotations of provisions in the present code.

Let us take up the recommendation of the Board and compare them with the deputy's alleged answers contained in his "analysis."

The Board's report changes the definition of an affiliated dealer by denying the distributor the right to lease a theater to a "straw man" and have him classed as an independent exhibitor. The deputy terms this "trivial" and "unsound." He says:

> Unaffiliated exhibitors who in good faith have taken advantage of the distress of affiliated circuit operation and had acquired, under lease, such theaters for independent unaffiliated operation would nevertheless be deemed affiliated operators of unentitled-to designation on various grievance and clearance and zoning boards.

This statement is untrue, inasmuch as the grievance and clearance and zoning boards do not deny an affiliated exhibitor representation. He would be represented on these boards as an affiliated exhibitor, instead of as an unaffiliated exhibitor. It is hard to see how this change in classification would be in any way detrimental.

The Board's report provides for the setting up of an entirely new method of selecting the code authority, for the reason that the code provides no means of electing a code authority but merely names 10 men who are declared to be the code authority. Does this unusual method of naming the code authority in the code itself exist in any other code? It shows the extent to which the monopoly went to insure the continuation of its control.

The deputy does not explain why this method of selecting the authority should obtain in this one code of the almost 400 now approved, other than to aver that the independents are too unorganized to take part in an election. Would it not be better to have no code at all than to deny a large part of the industry the opportunity to elect representatives because of the difficulty of holding an election? It should be made to be representative in the manner advised by the Board, or in some other way.

Incidentally, assuming that the decisions of the code authority to date have been fair in all respects, it might be safe to assume that that fairness has been dictated by the presence and restraining influence of the National Recovery Review Board, now sought to be abolished so summarily by General Johnson.

The Board made no recommendations in regard to the labor provisions of the code, yet the deputy spent two pages of valuable space trying to draw the Board into a controversy into which it had refused to advance.

The code contains a provision supposedly reducing the number of short subjects which the distributor might require the exhibitor to take. The Board amended this provision so as actually to reduce the number. In defense of the provision of the code, the deputy states that this provision provides:

> That distributor may not require exhibitor, as a condition for the licensing of feature photoplays, to license more than a corresponding proportion of the short subjects required by the exhibitor. By reason of this device the short-subject licenses of the various distributors are so proportioned that in no event may the exhibitor be required to license more than 100 percent of his needs.

This statement of the deputy proves one of two things: (1) That the deputy does not know as much about this industry and code as his lengthy defense of himself would lead one to believe; or (2) he is guilty of a deliberate falsehood, first, because he deliberately ignores the plainly printed exceptions of news reels; second, because what the provision actually provides is as follows:

> Part 5. No distributor shall require as a condition of entering into a contract for licensing of the exhibition of feature motion pictures that the exhibitor contract also for the licensing of the exhibition of a greater number of short subjects (excepting news-reels), in proportion to the total number of short subjects required by such exhibitor, than the proportion of the feature pictures for which a contract is negotiated bears to the total number of feature pictures required by the exhibitor.

Obviously, from this, the proportion of the number of short subjects which the distributor may require an exhibitor to take and the number of short subjects which the needs is the same, under this provision, as the proportion of the number of featured pictures which a distributor may force him to take, to the number of features which he needs. For example, if an exhibitor needs 100 features and 200 shorts, not news-reels, and the disetributor, under practice of block-booking, forces the exhibitor to take 200 features, twice what he needs, he may then force the exhibitor to take 400 shorts, twice what he needs, under the code provision. Certainly that would be forcing the exhibitor to take more than 100 percent of his needs.

If the deputy was as active as he proclaims he was in formulating this code, and if he knows as much as he boasts he does about the industry, he could hardly fail to recognize the purport of the provision. Obviously, he thought everyone else would be as incapable of figuring it out as he pretends to be.

In view of this explanation of the provision, the much proclaimed important concession contained therein becomes a mockery. It is the same old wolf in sheep's clothing.

There is a practice in the industry of the distributor's designating the days of the week on which certain features will be shown in his theater by the exhibitor. Where the picture is paid for on a percentage basis, it is obvious that the distributor by picking Saturdays, Sundays, and holidays can exact a greater fee. Where the picture is licensed for a certain sum, however, he cares not as to the day of showing. This practice is obviously unfair to the exhibitor since it extracts undue sums from him, prevents his choosing the most suitable picture for his clientele and for the date on which the picture is shown, and it gives the distributors control of the playing time of the exhibitor.

The deputy passes off all these objections by stating that "none of the rights granted to the independent exhibitors by this provision of the code existed prior thereto." Apparently, he admits that the provision does not do all that it should, but contends that the exhibitors are no worse off than they were before, so they should not object.

Admitting that before the code the distributors had, by contract with the exhibitors, all the powers in this regard sought to be denied by the Board's recommendations, still that would not entitle the distributors to write them into a so-called "code of fair competition", when obviously they are unfair exactions of the producers' monopoly.

The recommendations of the Board seek to correct the injustices of allowing distributors to decide what admission price the exhibitor should charge at his theater, and of allowing distributors to prohibit the exhibitors from showing two features at one performance. Under the code provision the distributor is given the right to continue these oppressive and dictatorial practices by contract.

The deputy devotes himself to long arguments as to the legality of such provisions in a contract. Without discussing the question of legality, it is obvious that a code of fair competition should not take within its sheltering arms such provisions as these, which allow one branch of the industry to exercise unreasonable and unfair control over another.

It can readily be understood that, although certain trade practices cannot be declared illegal, still there is no reason for incorporating them into a code of fair competition. It is bad enough that the law allows these oppressions, without its endeavoring to give them its affirmative approval in a code of fair competition.

The code allows an exhibitor to eliminate 10 percent of the pictures he has contracted for under certain conditions. In view of the fact it has been demonstrated that this is too limited a cancelation privilege, the Board raised the 10 percent to 15 percent, and removed some of the restrictions upon the privilege.

The only answer of the deputy is that this provision affords the greatest cancellation privilege ever accorded the exhibitor. Again I point out, that when a provision has been demonstrated to be unfair, it is no defense to state that it is less unfair than another provision. It still has no place in any code of fair competition.

The remainder of the deputy's reply to this suggested change consisted of criticism of the Board's error in the placing of a decimal point; and now I desire to call the attention of the Senate to the fact that this error has since been demonstrated to have been made by the official National Recovery Administration's reporters who transcribed the report.

The deputy then launches into an argumentative defense of the provisions of the code in regard to clearance and zoning and grievance boards, which were suggested to be amended considerably by the Board in an effort to make them fair.

This completes the deputy's "analysis." I submit, Mr. President, that the title "analysis" constitutes a misnomer unparalleled in governmental reports.

Part VI of his report, entitled "The Attack Upon the Deputy Administrator", comprises one third of the deputy's answer. Undoubtedly, as far as the deputy himself is concerned, the meat of his whole answer is in the last title, inasmuch as it contains his extravagant rationalization in defense of his retainer. It devotes page after page of a Government report to pure self-adulation and defense of an injured vanity which could far better have been expounded by the very simple statement, "I love me."

When Mr. Rosenblatt's response was given to the press on Monday morning and published, when independent operators in the moving-picture industry read what Mr. Rosenblatt had to say, and when they read, among other things, that those who had complained about the motion-picture code were inconsequential, no-account members of the industry, just a few who ought not to be heard, Mr. Rosenblatt hit several thousand motion-picture people in this country squarely between the eyes; and not the least offended among them was a former member of the Federal Trade Commission, Mr. Abram F. Myers, who at the present time is associated with the Allied States Association of Motion Picture Exhibitors, and who, after he had read the papers on Monday morning, May 21, wrote me as follows:

SECURITIES BUILDING,
Washington, D.C., May 21, 1934.

DARROW-JOHNSON CONTROVERSY

MY DEAR SENATOR: This association together with other organizations of independent producers, distributors, and exhibitors has been seeking modifications of the motion-picture code.

Members of the association from various parts of the country testified before the National Review Board, and their testimony was supported and supplemented by numerous other witnesses.

The members of the code authority failed to put in an appearance, although they were notified of the hearing and requested to be present. Deputy Administrator Rosenblatt refused in open hearing to take the stand.

We are astonished to read in the morning paper the charge that the Darrow report covering the motion-picture code was based on the one-sided and untruthful testimony of a few malcontents and obstructionists.

If such be the fact, the Congress should be officially apprised thereof, and the Darrow report should be accorded no consideration; if the facts are otherwise, the witnesses who appeared in response to the invitation of the board should be protected against the epithets of the N.R.A. officials.

So far as this association is concerned, it has spent many thousands of dollars and much valuable time in an effort to get a fair code. It has cooperated with the N.R.A. in every way consistent with the rights of its members.

We feel that if the matter is allowed to rest in its present state, with the truth of the charges and countercharges undetermined, nothing will have been gained and those who testified before the Darrow board will be further discriminated against.

We respectfully suggest that the Senate make a thorough-going and impartial investigation of the entire subject, including the manner of the writing of the motion-picture code, its provisions, the manner in which it is being administered, as well as the conduct of both the N.R.A. and the Review Board in respect of the code.

Yours very respectfully,

ABRAM F. MYERS.

HON. GERALD P. NYE,
United States Senate, Washington, D.C.

In the light of the showing made there, which is a showing that many other independent institutions in the country can make if they take the time, why do we not fall in line with the spirit which is prevailing more and more each hour over in the House, which is declaring for the need of a sweeping investigation by the Congress, declaring for the need of a continuation of the work inaugurated by the Darrow Review Board?

It seems to me to be an obligation upon us as a Congress to decline to leave here until there has been absolute assurance that the infamous ills that have crept into these codes shall be eliminated, and eliminated expeditiously.

As a general thing, I take the word of men. I like to take the word of all men; but when a man who, 6 months ago, told me that certain things were going to be done that have not been done since, stands up today and says, "Yes; there is a wrong here and a wrong there, but we are going to change it", frankly, I cannot take that man's word very seriously.

Mr. President, let us demonstrate before we leave here this spring that we meant precisely what we said when, in cooperating in the new deal, we declared: "We shall make mistakes, and when we discover mistakes that we have made we shall stop and correct them; or, if we fail in one undertaking, we shall try another method of reaching the recovery goal." If we will do that, Mr. President, if we will do our part, we shall save what is destined to destruction under the present course. We shall save those worth-while things that are to be found under N.R.A.

When the Darrow Review Board, 17 days before the report was made public, carried its report to the White House, the White House announced that copies of the report would be sent to N.R.A. itself, to the Federal Trade Commission, and to the Department of Justice. The President wanted the reaction of these three departments to the Darrow Review Board's report. He would publish it when it was all together. Last Monday morning there was released to the press the Darrow Review Board's report, and the only thing

released with it was the response of N.R.A., the institution which was under investigation.

Is it fair to ask with some interest now, Where is the report that the Federal Trade Commission made to the President? Where is the report that the Department of Justice possibly made to the President in the face of the Darrow report? I feel inclined to say that it is fair to ask; and in a few days, if it shall develop that such reports are in existence, I shall offer a resolution here asking that the Senate be furnished with those reports.

I do not know how far I shall get with a resolution of that kind. I encountered the other day here in the Senate an example which indicates that probably I shall not get very far. I came into the Senate one day last week with a resolution asking that the Federal Trade Commission send to the Senate copies of the reports which the Federal Trade Commission had made to N.R.A. in response to requests of N.R.A. Not a voice was raised on the floor of the Senate in opposition to that resolution. Why should any voice be raised? But at a moment when there were but few in the Chamber on the following day a Member of this body rose in his place and moved reconsideration of that resolution, and it is on our calendar now.

Why is it that there is inclination to close the door on every hand to information which certainly the Members of Congress are entitled to and ought to have? Why can we not know the truth? If the Department of Justice in its antitrust division has found that the Darrow report is justified, why can we not know it? On the other hand, if the Department of Justice has found that the Darrow report was without good foundation, let us know that. If the Federal Trade Commission has reported to the President that the Darrow report was socialistic, communistic, and ought not to be seriously considered, let us know it. If the Federal Trade Commission has reported to the President that the Darrow report went to the heart of things and really developed facts that ought to have been developed, that, too, we ought to know. But no! There stand up men, when the call is made upon them, to object, to delay, to cover up; and the Senator who asked for reconsideration of that very simple, ordinary resolution of last week told me that he made the request because General Johnson had called him up and told him to hold it up.

Mr. President, I have talked now longer than I had planned to talk; but I give him warning that, without any desire to engage in filibuster, I shall probably be talking for a few minutes each and every day until at least there is forthcoming assurance that men who have proven themselves so deceptive shall not continue through this summer and fall with the power that they have abused so flagrantly in the past.

In closing my remarks, knowing that response will be made, and ought to be made, to what I have said, I desire to express the hope that words which I have not spoken shall not be placed in my mouth. I sincerely hope there will be none who will deny that I have tried most sincerely to cooperate in the N.R.A. cause. I have been thoroughly convinced, since the enactment of the recovery program, that N.R.A. had within it possibilities that could bring blessings to every home in America. I say yet that those possibilities exist, but never will they be produced so long as existing policies are pursued by those who are in charge.

My sympathy is entirely with what I understand to be the principle of N.R.A. I believe it accomplished splendid things when it did away with child labor, when it brought about shorter hours of employment, when it afforded a higher minimum-wage scale, when it eliminated here and there, as it has, some of the frightful, shameful methods of competition which business was resorting to in a cutthroat way to get some one else out of business, or to enhance and make brighter its own future.

Four years before legislation was enacted creating the N.R.A., I introduced in the Senate a so-called "fair trade bill", and in each subsequent session of Congress presented a similar bill. Extended hearings were held upon it in one session, but it never got beyond the subcommittee. That bill was wholly sympathetic to this program of codes, but the proposed legislation provided that the codes should be formulated with the Federal Trade Commission as guardian, as the representative of the Government, as the representative of the consumer, so that when a unit of industry came along and said, "We want a code", there would be a representative of the Government to pass upon the merit of the code which was being requested.

I believe sincerely in the need for the elimination of unfair practices. I believe in it because I have felt for long that small business was being eliminated by unfair trade practices resorted to by monopoly, and when N.R.A. came into being, I believed that N.R.A. would be so administered as to give the helping hand to small industries, not to monopoly. But when we see what is happening on every hand, and when we see the arrogant and defiant manner in which those under criticism stand up in hours like these, I am thoroughly convinced that nothing good will come out of N.R.A. until there shall be a complete shaking-up of the personnel of that organization, and until there shall be chosen men to carry on there whose sympathies are in accord with what I honestly believe to be the sympathies of the President of the United States.

The President has told me more than once of his interest and his sympathy in the cause of the small, independent business man. He believes he is a very important part of our economic structure. He has led me to believe that we ought to have more little ones and fewer big ones. Yet the policy under N.R.A. at every step thus far has been to make the big ones bigger and to make the little ones smaller and fewer in number.

Mr. President, I doubt very much whether under existing policies and leadership N.R.A. can do what I have always hoped would be accomplished under the law passed by Congress last March. It seems to me there is a thing which might be done by the Congress, or, better, by the President. We have the Darrow Reviewing Board finding that these codes are working to the aid of monopoly. There is the Federal Trade Commission finding that the codes are aiding monopoly and oppressing small business. So two agencies of the Government are found taking that view.

Within N.R.A. are two agencies, both created by General Johnson, the personnel of those agencies appointed by General Johnson. One is the Consumers' Advisory Council, the personnel of which is thoroughly displeased and demoralized by reason of the utter ignoring by General Johnson of its recommendations. Another one is the Planning and Coordinating Commission, I think it is called, within N.R.A., created by General Johnson, but as voiceless as it is possible to be.

There are four agencies of the Government with practically one view in common; namely, that the consumer is getting a very raw deal under some of these codes, and that monopoly is being more strongly entrenched than ever before.

Why would it not be to the advantage of Congress if it should summon the heads of those four boards before a duly constituted committee of the Congress to give testimony as to just what the trouble seems to be? Or, if Congress is not going to do it, what a fine advantage would flow if the President were to summon the heads of those four boards and informally discuss with them what might be done and what has happened in the past to prevent the right thing from being done. If that were to be done, N.R.A. would quickly discover, and the President would quickly discover, who its friends in this hour of great trial really are. I believe the President has such a plan in mind.

Mr. President, industrial recovery under the new deal was to be won through the breaking up and destruction of monopoly. Under N.R.A. monopoly has been more strongly entrenched than ever before.

N.R.A. was expected to accomplish more equitable division of industrial profits between capital and labor; instead, its administration has been such as to increase the profits of capital far beyond the increases won by labor, the consumer paying the larger costs without any material increase in

buying power. This is well exemplified by the General Motors' report for 1933, to which I referred on yesterday, in which it is revealed that sales in dollars rose 31 percent, net earnings 50,000 percent, and average annual wages rose only three quarters of 1 percent.

Big business, proven selfish and greedy to a point that brought economic destruction under the old deal, is, under the N.R.A. program of self-regulation of industry, dominating in this self-regulation.

N.R.A. or any other recovery program is doomed to failure if its direction continues that of affording profit on the basis of watered, fictitious valuations and investments of the insane boom days; and when such effort is made without first restoring fully the boom-day buying power of labor and of the people of the United States generally, we invite a crash more complete and more lasting than even that of 1929 has proven.

If N.R.A. leaders were aiming, as did the Congress which supported the Recovery Act, at decentralization of industry and the accomplishment of a better day and chance for small industry, real recovery might now be well on its way. But instead, N.R.A. has been so abused and misdirected that the small fry in industry is fast finding itself devoured by the big fish, whose greed brought about our economic destruction from which we now seek recovery.

N.R.A. was supposed to save and put industry on its feet. If a census could be had at this time it would reveal business ventures now less by thousands than existed before the N.R.A. came into being.

Big business—our Schwabs and our Graces—evidently have learned no lesson from the depression. The purpose of big business remains that of controlling in its field, dominating at any cost its competition, and writing prices and costs which are all and more than the traffic, meaning the consumer, can possibly bear. Its domination of and cheering for N.R.A. are not a cheerful sign of what the future of N.R.A. has in store for the masses of the people.

The present promise of N.R.A. reforms must, of necessity, as I have said, be weighed alongside of the unfulfilled promises of reforms made by the same crack-down artists during these many months of N.R.A. activity.

The regimenting of industry and business by the Government through N.R.A., and the turning over of this regimentation to big business, which dominates the code authorities, which, in turn, are to lead in the self-regulation of industry, is nothing more than the old deal thrown into high gear.

I am convinced, Mr. President, that the continuation of existing N.R.A. policies, under existing leadership and direction, is bound to carry us to more economic havoc than we have yet known, regardless of how many more Army officers may be called to the side of the present Administrator to assist him. All the Army officers on the Federal pay roll are not going to be able to stuff the public much longer with this ballyhoo giving N.R.A. the credit for what C.W.A., C.C.C., P.W.A., natural recovery, and Uncle Sam's purse and credit have done.

Mr. LONG. Mr. President, I ask permission to have printed in the RECORD the decision handed down by Judge Charles I. Dawson, United States district judge for the western district of Kentucky, in the case of Hart Coal Corporation et al. against Thomas J. Sparks et al., which case involved the code of fair competition for the bituminous coal-mining industry in western Kentucky.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF KENTUCKY

HART COAL CORPORATION ET AL., PLAINTIFFS, *v.* THOMAS J. SPARKS, UNITED STATES ATTORNEY FOR THE WESTERN DISTRICT OF KENTUCKY, AND J. R. LAYMAN, STATE COMPLIANCE DIRECTOR OF KENTUCKY, DEFENDANTS

Opinion

The plaintiffs seek in this section to enjoin Thomas J. Sparks, United States attorney for the western district of Kentucky, and J. R. Layman, State compliance director of Kentucky, appointed under the National Industrial Recovery Act, from initiating or prosecuting any suit or suits in equity or any criminal proceedings against them for violations of a certain order issued by Gen. Hugh S. Johnson, Administrator for National Recovery, on March 31, 1934, as supplemented by an order issued by said Johnson on April 22, 1934, these orders having been issued as amendments to and supplements of the code of fair competition for the bituminous coal industry, approved and recommended by said Johnson, Administrator, etc., and promulgated by the President on September 18, 1933. On application for a temporary restraining order the action was dismissed as to the defendant, J. R. Layman, State compliance director, it affirmatively appearing that he has no authority to direct, institute, or control any proceeding, civil or criminal, against violators of the code. A temporary restraining order was granted, enjoining the defendant, Sparks, as United States attorney, pending further order of the court, from initiating any prosecution or other action to enforce the penalties attempted to be authorized by the National Recovery Act for violations of codes promulgated under its terms. The matter is now before me on motion for a preliminary injunction against the United States attorney.

The 34 plaintiffs are engaged in bituminous-coal mining in the western Kentucky coal field, and they produce approximately 90 percent of all the coal produced in that field.

The bill alleges that notwithstanding the fact that the mining and production of coal for market is not interstate commerce, and that Congress has no power to regulate same, many of the plaintiffs joined in submitting to the President for his approval a code of fair competition for the bituminous-coal-mining industry in western Kentucky; that the western Kentucky mining field has for many years been a sharply defined subdivision of the coal industry, having peculiar and exceptional problems not existing in other competitive coal-mining areas; that by reason of the relative thinness of the coal seams and the resulting high per-ton cost of production, and because of high freight-rate differentials against the field, this field must be regarded as a separate and distinct unit in the coal-producing industry; that in the code submitted by this field these exceptionally adverse conditions were given recognition in the wage scale which it proposed, but that this code was rejected and a so-called "national code" for the bituminous-coal industry, providing for much higher minimum wages, was formulated by the said Johnson, Administrator, and approved by the President.

It is further alleged that notwithstanding many of the provisions of the so-called "national code", and particularly the minimum-wage scales therein prescribed, were wholly unacceptable to the plaintiffs and other producers in western Kentucky, they yielded obedience to and proceeded to operate under it, relying upon certain clauses of the code providing for a readjustment of minimum wages and hours of service after investigation of these matters in the manner provided for in the code; that as a result of the investigation conducted by the code authorities as to the matter of wages, hours, and freight differentials, it was disclosed that for the month of November 1933, the western Kentucky coal field, operating under the wages fixed in the national code, had sustained a loss of 6.95 cents per ton on coal produced, while their competitors in the southern Illinois field for the same period had made a profit of 10.52 cents per ton, and in the Indiana field, of 7.76 cents per ton; that thereupon the representatives of the western Kentucky operators requested of the Administrator a readjustment of the wage scale in western Kentucky, but that no action was taken upon this request until March 31, 1934, when General Johnson, Administrator, without notice or hearing, arbitrarily and in disregard of the facts, issued one of the orders complained of herein, by which the minimum-wage scale for the western Kentucky field and certain other fields, including Alabama, as fixed in the original code, was greatly increased and the hours of service reduced from 8 to 7 hours per day, with no corresponding increases in the fields of Illinois and Indiana, except such increases as resulted from changing the hours of service from 8 to 7 hours per day; that thereupon the plaintiffs, knowing that they could not operate under the increased wage scale except at a heavy loss, reduced the operations of their mines to the minimum necessary to fill existing contracts, and proceeded to Washington for a hearing on the order, which was had on April 9, 1934; that at this hearing, in support of their claim that they could not live under the wages prescribed, they offered figures compiled and findings made by the National Recovery Administration itself, and that no evidence to the contrary was offered or heard by the National Recovery Administration; that at this hearing the representative of General Johnson, Administrator, conducting the hearing, was asked if there was any other evidence in possession of the Administrator bearing upon the ability of the western Kentucky field to operate without a loss under the prescribed wages, and that they were advised that there was no such other evidence; that notwithstanding these facts, the said Johnson, as Administrator, on April 22, 1934, issued the second order complained of, declining to reduce the wage scale for the western Kentucky field, as fixed in his order of March 31, 1934, but materially reducing it for the Alabama field, which is a competitor of the western Kentucky field in southern markets; that this reduction of the Alabama wage scale, without a corresponding reduction in the western Kentucky field, inevitably operates to close to the plaintiffs those markets in the South in which Alabama coal is a competitor, and that the combined effect of the two orders of March 31 and April 22 is to practically exclude them from all competitive markets, North and South, and to destroy their business.

The orders complained of are attacked as an unconstitutional attempt on the part of the National Government to regulate matters exclusively reserved to the States and to the people under

the tenth amendment to the Federal Constitution, and as violative of the fifth amendment to the Constitution in that it deprives the plaintiffs of their property without due process of law. It is further claimed that, conceding the power of Congress to regulate hours of service and wages in coal mines, the National Recovery Act is unconstitutional because of an unlawful delegation of legislative power; that, conceding the validity of the act, the orders complained of are arbitrary and capricious, and made in disregard of the provisions of the code of fair competition for the bituminous-coal industry and of the facts developed under the terms of that code.

The answer of the defendant, in addition to denying many of the allegations of the bill, portrays coal mining as a great national industry and the importance of the product of such mines to many of the basic industries of the country located in States other than those in which the coal is produced, and to the railroads, carrying a large part of the interstate commerce of the country, and claims for Congress the power to regulate and foster the industry as one affecting interstate commerce, and the affidavit of Wayne P. Ellis was offered in support of this theory.

At the threshold of the case I am met with the suggestion that the plaintiffs are in no position to seek equitable relief: First, because they have an adequate remedy at law; and, second, because by operating under the terms of the code promulgated under the National Recovery Act and accepting its benefits they are precluded from attacking the constitutionality of the act and of the orders complained of, purporting to have been issued under its authority.

In view of the heavy penalties provided in the act for violating codes of fair competition promulgated under it, there can be no doubt, under well-settled equity principles, of the inadequacy of the remedy at law.

I think the suggestion that the plaintiffs are estopped by their alleged previous acceptance of and operation under the code to question the constitutionality of the orders complained of, and of the act as construed by those charged with its enforcement, is pressing the doctrines of estoppel and waiver to an unreasonable limit; and in fairness to the district attorney and his counsel it should be stated that this contention has not been very vigorously urged. The court must be presumed to know what is common knowledge. The authorities charged with the enforcement of the National Recovery Act have proclaimed from the date of its passage that the codes promulgated under it are the law of the land and binding upon every person in the industry affected, whether they consent to same or not; and that upon a violation of such codes the dire penalties fixed in the act would be imposed upon them. No opportunity of election was presented. Not only this, but they were threatened with boycotts and blacklisting if they dared to operate in disregard of the terms of the code applicable to their particular industry. It seems to me that in view of this well-known and publicly proclaimed attitude of the authorities the Government is in a poor position to contend that its citizens operating under the codes are precluded from questioning the constitutional authority of those who seek to enforce them.

Furthermore, it is pleaded and not denied that these plaintiffs had nothing to do with fixing the terms of the code here involved; that they merely acquiesced in and operated under it after it was promulgated, as the national authorities were insisting they were legally compelled to do. To treat their past acquiescence and compliance with its terms under these conditions as voluntary and as an election to operate under it would be not unlike treating the unresisting march of the condemned criminal to the gallows as his consent to his own execution.

The right claimed for the President and his subordinates under the act to regulate hours of service and wages in coal mines either is, or is not, authorized under the Constitution, and those charged with the enforcement of the act, and claiming authority under it, should not desire nor will they be permitted, under the specious plea of estoppel or waiver, to evade a judicial determination of this important question.

Section 1 of the act reads:

"A national emergency productive of wide-spread unemployment and disorganization of industry, which burdens interstate and foreign commerce, affects the public welfare, and undermines the standards of living of the American people, is hereby declared to exist. It is hereby declared to be the policy of Congress to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; and to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental sanctions and supervision, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present productive capacity of industries, to avoid undue restriction of production (except as may be temporarily required), to increase the consumption of industrial and agricultural products by increasing purchasing power, to reduce and relieve unemployment, to improve standards of labor, and otherwise to rehabilitate industry and to conserve natural resources."

Section 3 (a) authorizes the President, upon application to him by one or more trade or industrial associations or groups, to approve voluntary codes of fair competition for such trades or industries as are represented by the applicants, provided certain conditions and requirements of the statute are met.

Section 3 (b) provides:

"After the President shall have approved any such code the provisions of such code shall be the standards of fair competition for such trade or industry or subdivision thereof. Any violation of such standards in any transaction in or affecting interstate or foreign commerce shall be deemed an unfair method of competition in commerce within the meaning of the Federal Trade Commission Act, as amended; but nothing in this title shall be construed to impair the powers of the Federal Trade Commission under such act as amended."

Section 3 (d) provides:

"Upon his own motion, or if complaint is made to the President that abuses inimical to the public interest and contrary to the policy herein declared are prevalent in any trade or industry or subdivision thereof, and if no code of fair competition therefor has theretofore been approved by the President, the President, after such public notice and hearing as he shall specify, may prescribe and approve a code of fair competition for such trade or industry or subdivision thereof, which shall have the same effect as a code of fair competition approved by the President under subsection (a) of this section."

Section 3 (f) provides that when a voluntary code of fair competition has been approved by the President, as authorized by section 3 (a), or when such a code has been prescribed by the President under section 3 (d)—

"Any violation of any provision thereof in any transaction in or affecting interstate or foreign commerce shall be a misdemeanor, and upon conviction thereof an offender shall be fined not more than $500 for each offense, and each day such violation continues shall be deemed a separate offense."

Section 4 reads:

"(a) The President is authorized to enter into agreements with, and to approve voluntary agreements between and among persons engaged in a trade or industry, labor organizations, and trade or industrial organizations, associations, or groups relating to any trade or industry, if in his judgment, such agreements will aid in effectuating the policy of this title with respect to transactions in or affecting interstate or foreign commerce, and will be consistent with the requirements of clause (2) of subsection (a) of section 3 for a code of fair competition.

"(b) Whenever the President shall find that destructive wage or price cutting or other activities contrary to the policy of this title are being practiced in any trade or industry or any subdivision thereof, and, after such public notice and hearing as he shall specify, shall find it essential to license business enterprises in order to make effective a code of fair competition or an agreement under this title or otherwise to effectuate the policy of this title, and shall publicly so announce, no person shall, after a date fixed in such announcement, engage in or carry on any business, in or affecting interstate or foreign commerce, specified in such announcement, unless he shall have first obtained a license issued pursuant to such regulations as the President shall prescribe. The President may suspend or revoke any such license, after due notice and opportunity for hearing, for violations of the terms or conditions thereof. Any order of the President suspending or revoking any such license shall be final if in accordance with law. Any person who, without such a license, or in violation of any condition thereof, carries on any such business for which a license is so required, shall, upon conviction thereof, be fined not more than $500, or imprisoned not more than 6 months, or both, and each day such violation continues shall be deemed a separate offense. Notwithstanding the provisions of section 2 (c), this subsection shall cease to be in effect at the expiration of 1 year after the date of enactment of this act or sooner if the President shall by proclamation or the Congress shall by joint resolution declare that the emergency recognized by section 1 has ended."

The foregoing provisions of the act make it perfectly apparent that Congress relied upon the commerce clause of the Constitution to justify the legislation. The declaration of policy contained in section 1 clearly proclaims this, and the penalties provided in the act for violations of its terms and for violation of the codes promulgated under it are carefully restricted to transactions in or affecting interstate or foreign commerce, and section 7 (d) defines interstate and foreign commerce as follows:

"The terms 'interstate and foreign commerce' and 'interstate or foreign commerce' include, except where otherwise indicated, trade or commerce among the several States and with foreign nations, or between the District of Columbia or any Territory of the United States and any State, Territory, or foreign nation, or between any insular possessions or other places under the jurisdiction of the United States, or between any such possession or place and any State or Territory of the United States or the District of Columbia or any foreign nation, or within the District of Columbia or any Territory or any insular possession or other place under the jurisdiction of the United States."

Under well-settled rules of statutory construction, the language of this act should be construed by the courts according to the commonly accepted and understood meaning of the words used. In the light of this rule, and indulging the presumption that Congress was familiar with the well-understood limits of its powers under the commerce clause as determined by the Supreme Court, it is difficult to escape the conclusion that the act was drawn with full appreciation of the limitations upon the powers of Congress under the commerce clause and with no intention of exceeding these powers; or was deliberately dressed in constitutional language to conceal a purpose to exercise a degree of regulation not within the fair intendment of the language used; or else those charged with the enforcement of the act have construed it to authorize the regulation of matters not intended by Congress to be regulated.

The second alternative I unhesitatingly reject. The question of whether those charged with the enforcement of the Recovery Act

are misconstruing it in their attempt to regulate the production and preparation of coal for market is not material. The real question is: Does the act, as so construed, transcend the constitutional power of Congress?

In considering this question we must never forget that the National Government is one of delegated powers, and that Congress possesses only such legislative powers as are expressly or by implication conferred upon it by the people in the Constitution. Even though the ninth and tenth amendments to the Constitution had never been adopted, it would be difficult, in the light of the history of the Constitution, of its source, and of the objects sought to be accomplished by it, to reach any other conclusion than that there is reserved to the States or to the people all the powers and rights not expressly or impliedly conferred upon the National Government. But the ninth amendment, which declares—

"The enumeration in the Constitution, of certain rights, shall not be construed to deny or to disparage others retained by the people"—

and the tenth amendment, providing that—

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people"—

put this matter beyond all question. Therefore, Congress does not have all legislative power. It possesses only such legislative power as has been expressly or impliedly conferred upon it.

By clause 3, section 8, article 1 of the Constitution, Congress is given the power—

"To regulate commerce with foreign nations, and among the several States, and with the Indian tribes."

It is to be noted that the power vested in Congress by this clause is not the power to regulate every activity of the people. It does not grant the power even to regulate all commerce; it must be interstate or foreign commerce, embracing within that power, of course, the power to regulate such acts and transactions as, within constitutional limitations, can be reasonably deemed to directly affect interstate commerce. Interstate commerce cannot constitutionally be stretched to reach those activities not embraced within the meaning of the word commerce. "Commerce" has been defined by Webster as intercourse, especially the exchange or the buying and selling of commodities; trade or traffic; and, of course, includes the movements necessary to such intercourse, trade or traffic, and the instrumentalities of such movements, but it does not include production or manufacture of articles of commerce.

In the case of *McCall* v. *California* (136 U.S. 106), the following definition of commerce, given by Pomeroy in his work on Constitutional Law, is approved:

"It includes the fact of intercourse and of traffic and the subject matter of intercourse and traffic. The fact of intercourse and traffic, again, embraces all the means, instruments, and places by and in which intercourse and traffic are carried on, and, further still, comprehends the act of carrying them on at these places and by and with these means. The subject matter of intercourse or traffic may be either things, goods, chattels, merchandise, or persons."

Since *Gibbons* v. *Ogden* (9 Wheat. 1) the Supreme Court has been called upon innumerable times, not only to define what is interstate commerce within the regulatory power of Congress but also what is not interstate commerce, and these opinions graphically portray the scope which has been given to the commerce clause, in order that national authority may be fully and completely exercised over this matter of national concern, yet without invading the rights reserved to the States and the people under the tenth amendment. They have been but the logical development, under the particular facts involved, of the definition of interstate commerce given in *Hopkins* v. *United States* (171 U.S. 578):

"Definitions as to what constitutes interstate commerce are not easily given so that they shall clearly define the full meaning of the term. We know from the cases decided in this court that it is a term of very large significance. It comprehends, as it is said, intercourse for the purposes of trade in any and all its forms, including transportation, purchase, sale, and exchange of commodities between the citizens of different States, and the power to regulate it embraces all the instruments by which such commerce may be conducted."

Cases illustrating the scope of the power are: *Montague & Co.* v. *Lowry* (193 U.S. 38); *Addyston Pipe & Steel Co.* v. *United States* (175 U.S. 211); *Swift & Co.* v. *United States* (196 U.S. 375); *Lemke* v. *Farmers' Grain Co.* (258 U.S. 50); *Stafford* v. *Wallace* (258 U.S. 495); *Chicago Board of Trade* v. *Olsen* (262 U.S. 1); *Dahnke-Walker Milling Co.* v. *Bondurant* (257 U.S. 282); *Coronado Coal Co.* v. *United Mine Workers of America* (268 U.S. 295); *United States* v. *Ferger* (250 U.S. 199); *United States* v. *Patten* (226 U.S. 525); *Railroad Commission of Wisconsin* v. *C., B. & Q. R.R. Co.* (257 U.S. 563); *Houston, East & West Texas Railway Co.* v. *United States* (234 U.S. 342). But in no case has the Supreme Court ever decided, or even hinted, that the power to regulate interstate commerce, or transactions affecting interstate commerce, embraces the power to regulate the production and manufacture of articles intended for commerce. On the contrary, that court has been at pains to point out that these activities are exclusively within the control of the States, or reserved to the people.

In the case of *United States* v. *E. C. Knight Co.* (156 U.S., p. 1), the Court said:

"Doubtless the power to control the manufacture of a given thing involves in a certain sense the control of its disposition, but this is a secondary and not the primary sense; and although the exercise of that power may result in bringing the operation of commerce into play, it does not control it, and affects it only incidentally and indirectly. Commerce succeeds to manufacture, and is not a part of it. * * *

"It is vital that the independence of the commercial power and of the police power, and the delimitation between them, however sometimes perplexing, should always be recognized and observed, for while the one furnishes the strongest bond of union, the other is essential to the preservation of the autonomy of the States as required by our dual form of government; and acknowledged evils, however grave and urgent they may appear to be, had better be borne than the risk to be run in the effort to suppress them of more serious consequences by resort to expedients of even doubtful constitutionality. * * *

"The regulation of commerce applies to the subjects of commerce and not to matters of internal police. Contracts to buy, sell, or exchange goods to be transported among the several States, the transportation and its instrumentalities, and articles bought, sold, or exchanged for the purposes of such transit among the States, or put in the way of transit, may be regulated, but this is because they form part of interstate trade or commerce. The fact that an article is manufactured for export to another State does not of itself make it an article of interstate commerce, and the intent of the manufacturer does not determine the time when the article or product passes from the control of the State and belongs to commerce."

In the case of *Kidd* v. *Pearson* (128 U.S., p. 1), which was dealing with the constitutionality, under the commerce clause, of a State law which prohibited the manufacture therein of liquor even for shipment out of the State, the court said:

"No distinction is more popular to the common mind or more clearly expressed in economic and political literature than that between manufactures and commerce. Manufacture is transformation—the fashioning of raw materials into a change of form for use. The functions of commerce are different. The buying and selling and the transportation incidental thereto constitute commerce; and the regulation of commerce in the constitutional sense embraces the regulation, at least, of such transportation. The legal definition of the term as given by this court in *County of Mobile* v. *Kimball* (102 U.S. 691–702), is as follows: 'Commerce with foreign countries and among the States, strictly considered, consists in intercourse and traffic, including in these terms navigation and the transportation and transit of persons and property as well as the purchase, sale, and exchange of commodities.' If it be held that the term includes the regulation of all such manufactures as are intended to be the subject of commercial transactions in the future, it is impossible to deny that it would also include all productive industries that contemplate the same thing. The result would be that Congress would be invested, to the exclusion of the States, with the power to regulate, not only manufactures but also agriculture, horticulture, stock raising, domestic fisheries, mining—in short, every branch of human industry. For is there one of them that does not contemplate, more or less clearly, an interstate or foreign market? Does not the wheat grower of the Northwest and the cotton planter of the South plant, cultivate, and harvest his crop with an eye on the prices at Liverpool, New York, and Chicago? The power being vested in Congress and denied to the States, it would follow as an inevitable result that the duty would devolve on Congress to regulate all of these delicate, multiform, and vital interests—interests which in their nature are and must be local in all the details of their successful management.

"It is not necessary to enlarge on, but only to suggest the impracticability of such a scheme, when we regard the multitudinous affairs involved, and the almost infinite variety of their minute details. * * *

"The demands of such a supervision would require, not uniform legislation generally applicable throughout the United States, but a swarm of statutes only locally applicable and utterly inconsistent. Any movement toward the establishment of rules of production in this vast country, with its many different climates and opportunities, could only be at the sacrifice of the peculiar advantages of a large part of the localities in it, if not of every one of them. On the other hand, any movement toward the local, detailed, and incongruous legislation required by such interpretation would be about the widest possible departure from the declared object of the clause in question."

In the case of *Delaware, Lackawanna & Western R.R. Co.* v. *Yurkonis* (238 U.S. 439), there was involved the question of whether Yurkonis, who was injured while working in a coal mine belonging to the railroad company, the coal from which was to be used by the railroad company in the operation of its interstate trains, was engaged in interstate commerce at the time he was injured so as to bring him under the provisions of the Federal Employers' Liability Act. The court held that the mining of coal was not commerce, and the fact that it was being mined for use in the operation of trains in interstate movements did not bring such mining under the control of the national Government under the commerce clause of the Constitution.

In *Heisler* v. *Thomas Colliery Co.* (260 U.S. 245), there was involved the constitutionality under the commerce clause of a Pennsylvania statute taxing anthracite coal when prepared and ready for shipment or market. The act was attacked on the ground that the tax was a burden on interstate commerce, the argument being that Pennsylvania had a virtual monopoly in anthracite coal; that the major part of the production finds its market in other States, and that the necessary and intended result of the law was to pass this tax on to the citizens of other

States, and thus burden interstate commerce. The case was most carefully considered, the attorneys general of nine different States in which Pennsylvania anthracite coal finds a market appearing in the Supreme Court to urge its unconstitutionality because it burdened interstate commerce. In response to this contention, the Court said:

"The reach and consequences of the contention repel its acceptance. If the possibility, or, indeed, certainty of exportation of a product or article from a State determines it to be in interstate commerce before the commencement of its movement from the State, it would seem to follow that it is in such commerce from the instant of its growth or production, and in the case of coals, as they lie in the ground. The result would be curious. It would nationalize all industries, it would nationalize and withdraw from State jurisdiction and deliver to Federal commercial control the fruits of California and the South, the wheat of the West and its meats, the cotton of the South, the shoes of Massachusetts and the woolen industries of other States, at the very inception of their production or growth; that is, the fruits unpicked, the cotton and wheat ungathered, hides and flesh of cattle yet on the hoof, wool yet unshorn, and coal yet unmined, because they are in varying percentages destined for and surely to be exported to States other than those of their production.

"However, we need not proceed further in speculation and argument. Ingenuity and imagination have been exercised heretofore upon a like contention. There is temptation to it in the relation of the States to the Federal Government, being yet superior to the States in instances, or rather, having spheres of action exclusive of them."

Oliver Iron Co. v. *Lord* (262 U.S. 172) involved the constitutionality under the commerce clause of a Minnesota statute, imposing a tax on the business of mining iron ore equal to 6 per cent of the value of the ore produced. It was claimed that inasmuch as substantially all the ore produced was mined with the expectation that it would be, and actually was, immediately loaded on cars and shipped into other States to satisfy existing contracts, the mining of the ore constituted interstate commerce, and the imposition of a tax on such mining was a burden upon such commerce. In response to this contention, the Court said:

"Plainly the facts do not support the contention. Mining is not interstate commerce, but, like manufacturing, is a local business subject to local regulation and taxation. * * * Its character in this regard is intrinsic, is not affected by the intended use or disposal of the product, is not controlled by contractual engagements, and persists even though the business be conducted in close connection with interstate commerce."

Hammer v. *Dagenhart* (247 U.S. 251) involved the constitutionality under the commerce clause of the act of Congress of September 1, 1916, prohibiting transportation in interstate commerce of goods made in any factory employing certain kinds of child labor. The court held that the regulation of the business of manufacturing was beyond the reach of Congress under the commerce clause, and in discussing the proposition, said:

"Commerce consists of intercourse and traffic, and includes the transportation of persons and property, as well as the purchase, sale, and exchange of commodities. The making of goods and the mining of coal are not commerce, nor does the fact that these things are to be afterward shipped or used in interstate commerce make their production a part thereof. * * * Over interstate transportation or its incidents the regulatory power of Congress is ample, but the production of articles intended for interstate commerce is a matter of local regulation. * * * If it were otherwise, all manufacture intended for interstate shipment would be brought under Federal control to the practical exclusion of the authority of the States, a result certainly not contemplated by the framers of the Constitution when they vested in Congress the authority to regulate commerce among the States. It is further contended that the authority of Congress may be exerted to control interstate commerce in the shipment of child-made goods because of the effect of the circulation of such goods in other States, where the evil of this class of labor has been recognized by local legislation, and the right to thus employ child labor has been more rigorously restrained than in the State of production. In other words, that the unfair competition thus engendered may be controlled by closing the channels of interstate commerce to manufacturers in those States where the local laws do not meet what Congress deems to be the more just standard of other States. There is no power vested in Congress to require the States to exercise their police power so as to prevent possible unfair competition. Many causes may cooperate to give one State, by reason of local laws or conditions, an economic advantage over others. The commerce clause was not intended to give to Congress a general authority to equalize such conditions. In some of the States laws have been passed fixing minimum wages for women; in others, the local law regulates the hours of labor of women in various employments. Business done in such States may be at an economic disadvantage when compared with States which have no such regulation; surely this fact does not give Congress the power to deny transportation in interstate commerce to those who carry on business where the hours of labor and the rate of compensation for women have not been fixed by a standard in use in other States and approved by Congress. The grant of power to Congress over the subject of interstate commerce was to enable it to regulate such commerce, and not to give it authority to control the States in their exercise of the police power over local trade and manufacture. The grant of authority over a purely Federal matter was not intended to destroy the local power always existing and carefully reserved to the States in the tenth amendment to the Constitution."

It was held in *Crescent Cotton Oil Co.* v. *Mississippi* (257 U.S. 129), that the separation of the seed from the fiber of cotton, through the use of a cotton gin, was a part of the manufacture of both the seed and fiber into useful articles of commerce, and the fact that these articles while in process of manufacture were intended for export to another State did not make such ginning interstate commerce.

In *Utah Power & Light Co.* v. *Pfost* (286 U.S. 165), it was held that the generation of electricity from water power, and the transmission of the current over wires from the generator to consumers in another State, are two entirely separate and distinct operations, one a local manufacturing operation, subject to exclusive State control, and the other interstate commerce. The court said:

"We are satisfied, upon a consideration of the whole case, that the process of generation is as essentially local as though electrical energy were a physical thing; and to that situation we must apply, as controlling, the general rule that commerce does not begin until manufacture is finished, and hence the commerce clause of the Constitution does not prevent the State from exercising exclusive control over the manufacture. *Cornell* v. *Coyne* (192 U.S. 418, 428–429). 'Commerce succeeds to manufacture and is not a part of it.' *United States* v. *E. C. Knight Co.* (156 U.S. 1, 12).

"Without regard to the apparent continuity of the movement, appellant, in effect, is engaged in two activities, not in one only. So far as it produces electrical energy in Idaho, its business is purely intrastate, subject to State taxation and control. In transmitting the product across the State line into Utah, appellant is engaged in interstate commerce, and State legislation in respect thereof is subject to the paramount authority of the commerce clause of the Federal Constitution."

In *United Mine Workers of America* v. *Coronado Coal Co.* (259 U.S. 344), the Supreme Court again declared:

"Coal mining is not interstate commerce, and the power of Congress does not extend to its regulation as such."

And the force of this decision is not at all weakened by the subsequent decision of the Supreme Court in *Coronado Coal Co.* v. *United Mine Workers of America* (268 U.S. 295), for there the Court simply held that on the second trial of the case in the lower court the evidence showed that there was a conspiracy to directly interfere with and obstruct interstate commerce.

In the very recent case of *Chassaniol* v. *City of Greenwood*, decided March 12, 1934, Mr. Justice Brandeis, writing for the Court, again emphasized the fact that manufacturing processes and acts directly in connection therewith do not constitute interstate commerce, even though the product manufactured is intended for sale and shipment in interstate commerce.

Cases emphasizing the lack of power in the National Government, under the commerce clause, to regulate manufacture and production could be multiplied; but to refer to them would unnecessarily extend this opinion. Indeed, it seems to me that the lack of such power is as axiomatic as is the proposition that no State is entitled to more than two Senators under the Constitution. He who would find in such cases as *Stafford* v. *Wallace* and *Chicago Board of Trade* v. *Olsen*, supra, authority for the exercise of such power, has read the opinions of the Supreme Court on the subject to but little purpose, and fails to comprehend that those cases dealt with acts, instrumentalities, and agencies directly connected with and affecting interstate commerce, and in no wise involve the regulation of manufacture or production.

As the defendant seeks to justify the orders here involved solely under the commerce clause of the Constitution, and as the act plainly indicates that Congress found its justification under that clause, I should probably be justified in testing the constitutionality of these orders under that clause alone; but the matter is of such grave importance, and courts are so reluctant to strike down as unconstitutional acts of coordinate departments of the Government, that I feel constrained to search further to determine if justification can be found for the orders involved in any other provision of the fundamental law. Frankly, I would be at a loss to conjecture under what other provision or provisions of the Constitution those who claim for the National Government the right to regulate manufacture and production would, in good faith, profess to find such authority but for the arguments advanced from time to time by those who defend the exercise of this authority. Generally speaking, aside from the commerce clause, the act, as construed by those charged with its enforcement, has been defended as a proper exercise of national power in a great emergency; or as an exercise of the inherent power of the National Government to accomplish the purposes set forth in the preamble of the Constitution, and some have thought that it could be justified by clause 1, section 8, article I, of the Constitution, which vests in Congress the power—

"To lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States."

Certainly no emergency, no matter how pressing, can clothe Congress with any power to legislate on matters not expressly or impliedly confided to it by the Constitution.

In the great case of *Ex parte Milligan* (4 Wall. 2), the Supreme Court exploded the doctrine that emergency creates national power in the following language:

"The Constitution of the United States is a law for rulers and people, equally in war and in peace, and covers with the shield

of its protection all classes of men at all times and under all circumstances. No doctrine, involving more pernicious consequences, was ever invented by the wit of man than that any of its provisions can be suspended during any of the great exigencies of government. Such a doctrine leads directly to anarchy or despotism, but the theory of necessity on which it is based is false; for the government, within the Constitution, has all the powers granted to it which are necessary to preserve its existence; as has been happily proved by the result of the great effort to throw off its just authority."

In *Wilson* v. *New* (243 U.S. 332), the Supreme Court again held that a national emergency could not be made the source of congressional power; that it could not call into existence a power not granted in the Constitution. And again, in the very recent case of *Home Building & Loan Association* v. *Blaisdell* (290 U.S. 398), the Supreme Court, through Mr. Chief Justice Hughes, was careful to explain that while emergency may afford a reason for the exertion of admitted legislative power, it cannot call into life a power which has never existed.

The so-called "rent cases", *Block* v. *Hirsh* (256 U.S. 135); *Brown Holding Co.* v. *Feldman* (256 U.S. 170); *Levy Leasing Co.* v. *Siegel* (258 U.S. 242), and the more recent cases of *Home Building & Loan Association* v. *Blaisdell* (290 U.S. 398), and *Nebbia* v. *New York*, decided by the Supreme Court on March 5, 1934, have been thought by many to afford support for the emergency doctrine; but this conception of these cases is erroneous.

The case of *Block* v. *Hirsh*, supra, involved the extent to which the police power of Congress over the District of Columbia may be exercised in an emergency; and *Brown Holding Co.* v. *Feldman* and *Levy Leasing Co.* v. *Siegel*, supra, involved the extent of the exercise of the police power of the State of New York in an emergency. The same question was involved in the Minnesota case of *Home Building & Loan Association* v. *Blaisdell* and the New York case of *Nebbia* v. *New York*, supra.

In considering these cases it is important to keep in mind that the National Government has no police power, as that term is generally understood, within the boundaries of sovereign States, except over property therein owned by the Government in its proprietary capacity. It does possess such police power over the District of Columbia by virtue of clause 17, section 8, article I, of the Constitution, which authorized Congress—

"* * * to exercise exclusive legislation in all cases whatsoever, over such District (not exceeding 10 miles square) as may, by cession of particular States and acceptance of Congress, become the seat of government of the United States, and to exercise like authority over all places purchased by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings."

This provision of the Constitution vests in Congress all legislative power over the District of Columbia, and such power, of course, includes the general police power inherent in governments possessing unrestricted legislative authority. So in the District of Columbia rent case the Supreme Court found that the underlying power necessary to sustain the legislation was the police power conferred by the Constitution over the District, and that the emergency simply justified the exercise of this admitted existing power to an extent which would not be tolerated in normal times.

The only police power possessed by Congress other than that heretofore noted is over the Territories and public domain of the United States; and the authority for the exercise of the police power in this field is found in clause 2, section 3, article IV, of the Constitution, which provides:

"The Congress shall have the power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States."

The generally recognized power of Congress to define certain acts as crimes, and fix the punishment therefor, does not rest upon the police power proper, but upon the expressly or impliedly granted powers of the National Government, and upon that provision of the Constitution conferring upon Congress the power to make all laws necessary for carrying into execution the enumerated powers of the National Government. Thus, Congress under the commerce clause has the power to define offenses against such commerce and fix the punishment therefor, and the same is true with reference to the other powers expressly or impliedly conferred upon the National Government. But this is a very different thing from the police power which embraces the right to legislate for the general welfare, health, and safety of the community. This is the highest power possessed by a government having unrestricted legislative authority. Granted a reasonable basis for its exercise, it acknowledges few, if any, limitations in such a government; but, with the exceptions heretofore noted, it is not possessed by the Government of the United States, except to the extent that it exists in connection with the exercise of its delegated powers. See *The Lottery Cases* (188 U.S. 321); *Hipolite Egg Co.* v. *United States* (220 U.S. 45); *Caminetti* v. *United States* (242 U.S. 470).

It would hardly seem necessary to demonstrate the fallacy of the claim that there is any inherent or general power unmentioned in the Constitution to accomplish the purposes set forth in the preamble to that instrument. It would seem perfectly apparent that the objects set forth in the preamble were intended by the fathers to be attained through the exercise of the powers granted to the National Government in the Constitution; otherwise, the National Government is not one of limited delegated powers, but of unlimited powers, with Congress free to accomplish the purposes set out in the preamble in whatever way may appeal to the judgment of that body. Of course, the statement of this proposition carries with it its own refutation.

The present, however, is not the first time that the argument has been advanced that the preamble contains an affirmative grant of power. Such a contention was advanced in *Jacobson* v. *Masachusetts* (197 U.S. 11), and Mr. Justice Harlan, for the Court, disposed of this contention in this language:

"We pass without extended discussion the suggestion that the particular section of the statute of Massachusetts now in question is in derogation of rights secured by the preamble of the Constitution of the United States. Although that preamble indicates the general purposes for which the people ordained and established the Constitution, it has never been regarded as the source of any substantive power conferred on the Government of the United States or on any of its departments. Such powers embrace only those expressly granted in the body of the Constitution and such as may be implied from those so granted. Although, therefore, one of the declared objects of the Constitution was to secure the blessings of liberty to all under the sovereign jurisdiction and authority of the United States, no power can be exerted to that end by the United States, unless, apart from the preamble, it be found in some express delegation of power or in some power to be properly implied therefrom."

Clause 1, section 8, article I, of the Constitution, which vests Congress with the power to lay and collect taxes, etc., is so punctuated that, if considered by itself, it might be construed as conferring two separate and distinct powers upon Congress—one to lay and collect taxes, and the other to pay the debts and provide for the common defense and general welfare of the United States. Of course, if such construction were given to this section, it would wipe out all limitations upon the powers of Congress and leave it with unlimited power to legislate for the general welfare of the United States. The inevitable result compels a rejection of such a construction.

Story, in his work on Constitutional Law, after a careful consideration of the clause, reached the conclusion that it should be construed as if it literally read to empower Congress to pay and collect taxes, duties, imposts and excises, in order to pay the debts and provide for the common defense and general welfare of the United States, and this construction was approved in *United States* v. *Boyer* (85 Fed. 425) and has never been questioned by any court of reputable authority.

So far as I am advised, the only contention that there is any other constitutional provision supporting the power here claimed is the suggestion, which has been rather tentatively advanced by the general counsel for the National Recovery Administration, that the authority is implicit in clause 5, section 8, of article I, which empowers Congress to coin money and regulate the value thereof. It is suggested that the Federal Government would be acting within its delegated powers under this clause in relating the value of money to the wages of labor, and could thus bring within national control the wages and hours of service in every industry in the country. I am quite satisfied that no reputable court would so construe that provision of the Constitution, and the suggestion only serves to illustrate the straits to which those are driven who would sustain the National Recovery Act as construed by its enforcers.

The scheme of regulation of the strictly local affairs of the citizens of the country, attempted to be set up and enforced under the Recovery Act, has no place in our system of government, and it is futile for its defenders to attempt to justify it on constitutional grounds. No such justification can be found. It is the boldest kind of usurpation—dared by the authorities and tolerated by the public only because of the bewilderment of the people in the present emergency. Every person at all familiar with the Constitution and our scheme of government under it knows that no such power exists, and its mere academic assertion would be amusing, but its determined exercise is tragic. In the exercise of this claimed power the national authorities have reached out and by codes and other regulations are attempting to regulate every conceivable character of local business—the tailor in his shop, the merchant in his store, the blacksmith at his forge, the coal operator, and the manufacturer. Apparently, none of the activities of man are acknowledged as beyond its reach. If the existence of such a power in the National Government be admitted, it means the end of constitutional government in this country, under which individual effort and initiative have been fostered and encouraged, and the people generally have enjoyed a degree of liberty of person and security of property unknown to the rest of the world. I know of no higher duty of the national courts, the judges of which are sworn to support and defend the Constitution of the United States, than to strike down such an unwarranted invasion of the reserved powers of the States and the rights of the people.

In view of my conclusions on the fundamental question of the power of Congress to regulate the matters dealt within the orders complained of, there is no occasion to consider the other objections urged against the validity of these orders, and I shall not do so except to observe that, conceding such power, the act would be an unconstitutional delegation of that power to the President, as it sets up no standards to guide him in carrying out the legislative policy and will expressed in the act (*United States* v. *Grimaud* (220 U.S. 506); *Interstate Commerce Commission* v. *Goodrich Transit Co.* (224 U.S. 194); *Hampton & Co.* v. *United States* (276 U.S. 394)).

A preliminary injunction, enjoining the defendant, Sparks, as United States Attorney, from initiating any prosecution or other action to enforce the penalties attempted to be authorized by the

National Industrial Recovery Act for violations by the plaintiffs, or any of them, of the orders of Gen. Hugh S. Johnson, National Administrator, dated March 31, 1934, and the amended and modified order of said Johnson, as National Administrator, dated April 22, 1934, both of same purporting to be amendments to and supplements of the code of fair competition for the bituminous coal industry, attempted to be promulgated under the provisions of the National Recovery Act, is granted.

I see no occasion at this time for making the preliminary injunction any broader in its scope than here indicated.

CHAS. I. DAWSON,
United States District Judge.

May 19, 1934.

NORMAN, QUIRK & GRAHAM,
VAN WINKLE & SKAGGS,
All of Louisville, Ky., Counsel for Plaintiffs.
T. J. SPARKS,
United States Attorney, Louisville, Ky.
DWIGHT L. SAVAGE,
Special Assistant to the Attorney General, Washington, D.C., Counsel for Defendants.

Mr. WAGNER. Mr. President, 12 months ago I addressed the Senate in behalf of an untested program for the relief of the American people. Today it may be appropriate for me to survey the achievements and restate the philosophy of that program at a time when it is being subjected to examination and appraisal by the Senate and by other agencies.

The "new deal" has accomplished too much to fear destruction by its enemies. It can suffer only if its friends clothe it in perfection and scorn the advocates of improvement. In any program of action, some mistakes are made, some fine opportunities are overlooked, some weaknesses are disclosed, and some good instrumentalities are perverted to serve ignoble ends. We are embarked upon a program of action, and nothing could be more valuable to the American people than criticism that is developed thoughtfully and advanced temperately. Such criticism is abundant at the present time, and there is no greater need than that it should be sifted and weighed carefully and impartially.

It is not my purpose at this time to review the progress of the public-employment measures, such as the Public Works and Civil Works Administrations. They have been more than vindicated. They have performed useful work, given impetus to private industry, and rescued 5,000,000 workers and their families from ruin. No longer can there be doubt that the Government should serve as a balance wheel to mitigate the violence of the business cycle.

At the very core of our program for economic reconstruction is the National Industrial Recovery Act, for the ultimate test which we must face is the capacity of a revived industrial system to operate more continuously and more justly than it has in the past, and to absorb about 9,000,000 people who are now unemployed.

The Recovery Act has yielded favorable results, although the road to be traveled is yet a long one. Over 4,000,000 people have been reabsorbed by private industry, of whom 1,000,000 have been taken on since January 1, and the index of employment is 37 percent higher than a year ago. No recovery in the history of business cycles has been so rapid, and conditions today are better than at any time since December 1930. Current improvements are particularly significant, according to the Bureau of Labor Statistics, because there is generally a regression during this time of year.

The expansion of industry has been accompanied by a vast improvement in the conditions under which men and women earn their bread. Hours of labor have been reduced 16 per cent. This gain is much more striking when we deal with specific cases rather than with averages. And in hours of work it is the special cases at the long, wearing end of the scale that take the heavy human toll. The full-time week in the manufacture of silk and rayon goods was 54½ hours in 1914. In March 1933 it had dropped only to 51. Under the code the maximum is set at 40, and thus is achieved overnight a gain three times as great as had been attained in 9 years. The full week for laborers in the steel industry was 54 hours a year ago; it is now 40. Examples might be multiplied endlessly.

With the abolition of the sweatshop has come the outlawing of child labor. For half a century statesmanship and education and philanthropy grappled with this social disease in vain. Yet almost spontaneously practically every code has forbidden the employment of children under 16 years of age. That this has been accomplished by the combined efforts of the administration, labor, and industry, without any express mandate in the law, should be the complete answer to those who doubted the flexibility of the law.

Wage reform is the keynote of the Recovery Act. The failure in the past to allocate a large enough share of the national income to employees dried up consumer purchasing power and made collapse inevitable. Under the new deal wages have spiraled upward with great rapidity. The index of factory pay rolls, which stood at 38 a year ago, has risen to 67, representing an astounding gain of over 73 percent and touching the highest peak of the past 3 years.

With wages, as with hours of labor, average gains are less spectacular than the relief brought to special groups which had been forced to live on the fringe of destitution. Innumerable code investigations disclosed and removed conditions so shameful that they could not continue to exist under the pitiless rays of publicity.

For example, in one type of job in a particular industry the number of hours actually worked per week averaged 55, for which the compensation was $9.58. In another the average weekly compensation for women was $7.70. In both of these instances, as in many others, the minimum week under the code is 40 hours and the minimum pay from $13 to $14.

A fully functioning productive mechanism is the basis for any prosperous economic order. The index of basic industrial output is 34 percent above what it was a year ago, and half of this progress has come during the past 6 months. The ground lost between the beginning of 1931 and the early part of 1933 has been recaptured. Other tokens of business progress are at hand. Freight-car loadings during recent months have reached a volume unequaled during the past 2 years. Accumulated stocks are being disposed of. Residential construction is now at its highest during a 2-year period. Monthly brokers' loans are twice as voluminous as a year ago. The automobile industry is in exceptionally good shape, while electric-power production and the steel and coal operations are advancing.

Faced with unimpeachable evidence that we have restored the shattered hopes of the American people in the short space of 1 year, confronted by gains that would have been too fanciful for expectation a few months ago, what criticisms do those completely opposed to the recovery program muster? Some of their objections are a medley of contradictions. One camp wants to abandon the program because it has not accomplished enough, and the other camp wants to scrap it because it has been so successful that it is not needed any longer. No one can be certain in which of the two camps a single critic may be found on a particular day. There seems to be a free passage between the two.

In the first camp the very people who insisted that the program would not achieve anything, and who predicted that we would recover in 4 years without doing anything, are now complaining that the program has not worked miracles in 1 year. The same individuals insist that recovery was on the way in May 1933 and that the program has had nothing to do with it. These mythical and marvelous speculators as to what might have been were not so confident at that time when they besieged the Government with petitions to aid their own sinking ships.

More important are the inhabitants of camp 2, who claim that the program has outlived its original usefulness. They can think of a program only in terms of its capacity to further their own narrow interests. Now that the back of the depression is broken and their own scalps saved, they want freedom to return to the old regime of uncontrolled selfishness and heartless exploitation. The more successful we are in outlawing the abuses of the past, the more we may expect to hear protests from those who were nourished on such abuses.

Far more worthy and useful are the critics who realize that the haphazard planlessness of the past must give way to the rule of intelligence and order, but who see specific

defects in the new-deal program. It will be very fruitful to examine their objections in detail and to attempt to separate the dross from the gold.

The charge of price fixing is an old battle cry which has frequently obscured the realities of the price problem. There are only two aspects of prices that are important: First, price as a measure of the real cost of producing an article or a service, and, secondly, price as the value placed upon an article or a service in terms of other goods for which it may be exchanged. For example, the fact that the selling price of an automobile has risen from $1,500 to $1,800 is not significant until we know whether or not this represents a rise in the real cost of producing the automobile, or a relative rise in the exchange value of the automobile, or merely a general rise in the nominal price of all commodities.

Under the old system of ruthless and wasteful competition real costs were excessively high, and therefore the price which society as a whole had to pay for goods and services was great. In addition, since the antitrust laws did not in the slightest prevent monopolistic or predatory practices, many industries were able to place inordinately high exchange valuations upon their products, and thus to take constant toll of the consuming public.

The recovery program attacks the price problem very simply. By promoting rational production and eliminating destructive competition it seeks to reduce real social costs. By establishing a balance between production and profits on one side and wages on the other it seeks to promote healthy price relationships and to prevent any particular group from becoming too favored in the exchange process.

Let us examine whether business cooperation has brought unchecked price rises that have canceled wage advances and plundered the consumer. In the early part of the year the able Senator from Idaho [Mr. BORAH] said:

> At the present time millions of dollars are being extorted from the profits of the masses in prices which are fixed by combines, trusts, and monopolies (CONGRESSIONAL RECORD, p. 873).

I believe that when we substitute careful scrutiny of reliable statistics for generalities we find these charges to be inexact. The general raising of the price level has characterized every revival that we have experienced, and it is elemental economics that prices at the beginning of revival rise faster than wage rates. But every sign is at hand that prices are definitely under control and are being brought into line with the incomes of the masses of consumers. The sharp rise of 17 percent in wholesale prices between March and August 1933 has been followed by a fairly even keel since then, with variations keeping within a range of 2 percent. Retail prices likewise shot up 17 percent during the early period of recovery but have remained remarkably steady since the middle of last November.

The truth is that even during the first hectic dislocation of the recovery drive prices never rose enough to injure the consumer. If we regard the individual wage earner, who works full time, we find he has not made appreciable progress since a year ago. In contrast to this, however, the purchasing power of the entire wage-earning class, owing to reemployment in private industry alone, has risen 23 percent during the past 12 months. Thus the working class as a whole, and in most cases the working family, has one quarter more in real earning power than a year ago. This amounts to over $400,000,000 per month, independent of Government pay rolls.

I do not mean to deny that some prices are too high today. Nor do I deny that there are some industries which are engaged in price fixing to the detriment of the public welfare. But despite this, the general tendency is favorable, the underlying method of approach of the recovery program is sound, and the need today is to make that program even more effective and to prevent its instrumentalities of control from falling into the hands of selfish groups.

Mr. COUZENS. Mr. President, will the Senator permit an interruption at that point?

Mr. WAGNER. If the Senator will permit me, I should prefer not to be interrupted until I shall have concluded, when I shall be very glad to answer any questions.

Mr. COUZENS. Very well. I do not wish to interrupt the continuity of the Senator's speech, but there are several questions I should like to have him answer.

Mr. WAGNER. The second, and in some respects the major, charge leveled against the new-deal program is that it has benefited the large industrialist at the expense of the small business man. The eloquent Senator from North Dakota [Mr. NYE] said some time ago that the small business man is marching to his grave under the N.R.A., and he has received support from the report of Mr. Darrow and his associates. When this criticism was made in June, I had to rely upon logic and history for my answer. I asked how it could be concluded logically that the small man would be injured by the first law that gave him real representation in the councils of industry and enlisted governmental supervision in his behalf. I illustrated by economic history that for 40 years the spirit of the antitrust laws had been systematically subverted and that the small man had found himself pulverized under the wheels of giant industry.

Today we need not rely upon logic or historical analogy. The facts of the living present are before us, and they are, on the whole, favorable. The upward sweep has encompassed every type of industry, both those employing huge numbers of men and those where the individual aggregates of capital and labor are very small.

In April 1934, according to the Bureau of Labor Statistics, only 2 manufacturing industries out of 90 failed to show gains in employment over the preceding year, and every one showed gains in pay rolls. These increases have not been confined to the automobile and iron and steel industries, with 1,000 workers per plant, nor to the cotton textiles, with units of 500 workers, nor to the electrical and machinery trade, with 300 men in each plant. They have extended equally to the fertilizer industry, with only 40 men per plant, to book jobbers and jewelers, equally small, and to the butter trade with a unit size of 18. Furthermore, the vast majority of establishments in these latter trades employ far fewer men than the average number, and are, indeed, very small.

It has been claimed that the small man is injured by the minimum-wage provisions of the recovery law. I cannot believe that those who advance this claim realize the implications of what they are saying. I cannot believe that anyone is ready to admit that a country so wealthy as ours is willing to found its so-called " prosperity " upon the wage slavery of its workers. The new standards which have been set do not seat the workers in the lap of luxury; they are the minimum requirements for health and decency, and any business which cannot conform to them has no justification for existence. The vast majority of small business men are able and willing to pay these minimum wages and realize that the increased purchasing power throughout the country is the touchstone of their own prosperity as well as that of large industry.

The point I wish to make is that the small business man has benefited by the recovery program in the sense that he is far more prosperous than before its passage, and that it holds great promise for him in the future.

But it is true, and many able Senators and Mr. Darrow's Board have rendered a great service by bringing it to light, that the small man still suffers from many of the monopolistic tyrannies that have persisted for half a century. The small man still is subject to the unfair competition of some large opponents who get special favors from banks and railroads, who can afford temporarily to sell below cost in order to crush the small man, who fix prices, and who manipulate the sources of supply and demand to serve their own selfish interests.

How may these evils be remedied? Certainly not by repealing the sections of the Recovery Act which modify the antitrust laws, for all these evils existed when those laws were in full force. It is not the code idea that promotes monopoly. In fact, the able Senator from Idaho has said:

> I do not believe, as has been suggested somewhere, that the extortion takes place by connivance with the code or in accordance with the terms of the code. I believe this extortion takes place in defiance of the spirit of the code and in defiance of the

terms of the code. We will never be able to bring about a different condition until we have a greater and stronger power back of the code; that is the power to punish for the doing of such things. (CONGRESSIONAL RECORD, Jan. 18, p. 873).

If the Senator admits that monopolistic practices violate the codes and the law, what greater power does he seek? The antitrust laws are still in force, except insofar as they are abrogated by the code provisions. The code provisions are still subject to the requirement that they shall neither promote monopoly nor tend to oppress small enterprise. The Federal Trade Commission has been ordered, whenever complaint is made, to pass judgment upon whether or not the code violates the antimonopoly section of the Recovery Act. There are ampler facilities today for preventing monopoly and oppressive practices than ever before.

The Darrow supplementary report recognizes fully that we cannot return to the wildly disorganized economy of Adam Smith. It states:

To go back to unregulated competition in which the small man can gain his share of the market by some special advance of skill or other factor is not possible in the situation where technological advance has produced a surplus, so that unregulated competition demoralizes both wages and prices and brings on recurrent and increasingly severe industrial depressions.

These words might have been plucked from the plea which I made for the enactment of the recovery law almost a year ago.

The Darrow supplementary report further recognizes that some form of social control and cooperation is essential in the twentieth century, and that if we do not choose one form we shall be forced into another that is more alien to our traditions and more restrictive of our liberties. It says that:

The choice is between monopoly sustained by government, which is clearly the trend of the National Recovery Administration, and a planned economy, which demands socialized ownership and control, since only by collective ownership can the inevitable conflict of separately owned units for the market be eliminated in favor of planned production. * * * The hope for the American people * * * lies in the planned use of America's resources following socialization.

I do not believe—and I do not think that most of those who purport to agree with Mr. Darrow believe—that it is necessary or desirable for us to go this far. We are not going this far. The recovery program affords us an opportunity to solve economic problems of unprecedented complexity without departing from our liberal traditions and accustomed folkways. It reconciles liberty and law in an American way.

The only difficulty is that we have not seized these opportunities in full. The recovery program has helped the small man to recover from the depression, and it has brought out into the open monopolistic abuses that were ignored when we were self-satisfied with the antitrust laws. But it has done very little to cure these abuses, though it has a finer mechanism than we had ever before for so doing. It has succeeded in recovery; it has fallen far short of reform. Its greatest potentialities are still unexplored and await further action.

Another criticism voiced in the Darrow report is that our attempts to rationalize production by preventing the enlargement of plant and field capacities are a drain upon our potential enjoyment of wealth.

While it is very true that general overproduction is impossible, there can be temporary overproduction of specific articles when many independent agencies strive blindly to capture more than their normal share of the competitive market, and there can be profligate production and consequent exhaustion of our limited natural resources, such as petroleum and timber. Neither of these two evils could be avoided under absolute laissez faire. Competitive overproduction could not be checked so long as cooperation was impossible. The waste of resources could not be stopped even where monopoly existed, for it profited those in control to exploit those resources as rapidly as possible.

For these reasons sage students of our industrial order have recognized the temporary necessity of some control over production. Certainly Mr. Justice Brandeis is a believer in free enterprise and a constant protestant against the evils of monopoly. But when faced with the question of a certificate of convenience and necessity, in the now-famous case of New State Ice Co. against Liebman, Two hundred and Eighty-fifth United States Reports, page 262, 1932, he wrote:

All agree that irregularity in employment—the greatest of our evils—cannot be overcome unless production and consumption are more nearly balanced. Many insist that there must be some form of economic control. There are plans for proration. There are plans for stabilization. Some thoughtful men of wide business experience insist that all projects for stabilization and proration must prove futile unless, in some way, the equivalent of the certificate of public convenience and necessity is made a prerequisite to embarking new capital in an industry in which the capacity already exceeds the production schedules.

However, I am not a scarcity economist. In the vast majority of cases I believe that the long-range task is not to limit production but to produce as much as possible and to distribute the products widely and equitably. But let it not be supposed that this was the policy under the old deal The common belief that industry poured forth goods at maximum capacity which people could not buy because of low wages is only half correct. The selfish quest for profits served frequently to reduced production. Industrial sabotage for the purpose of preserving high prices was a frequent occurrence. This practice resulted in direct and extreme loss to consumers, who received less goods and had to pay an artificially high price for them. In the long run it worked to the disadvantage of industry, for in general withholding production is wasteful and economically indefensible.

The antitrust remedy was founded upon belief that limited production rests upon monopoly, and that the one could be prevented by prohibiting the other. Forty years have demonstrated that restraining practices flourished despite the law. The only effect of the law was to create a pretense that black was white and thus to prevent the Government from stepping in to protect the worker and the consumer.

The immediate problem before us, to which sufficient attention has not yet been paid, is to prevent the production-control devices of the new deal from being turned into an old-deal instrument for the profit of the few and the denial of the many. We must develop to the limit our natural wealth without exploiting it, and we must make it serve social needs. It is at this crucial stage that forceful and careful and patriotic criticism such as has been forthcoming during the past few months is necessary.

More fundamental than any of the questions which I have been discussing is the relationship between wages and profits. A balance between the return to industry and the return to labor is at the very core of economic stability, and it is here that the new-deal program seems in greatest need of immediate improvement.

During the period between June and October 1933 hours of work were reduced 16 percent and employment increased 19 percent, although production was declining by 17 percent. Paradoxical as it may seem, subsequent improvements in the general condition of business have been matched by increasing unwillingness to reduce hours and to raise wages. Between October 1933 and March 1934 production increased over 11 percent. During the first quarter of 1934 corporation earnings have been three times as great as during the same period last year. Out of 670 dividend changes reported by Standard Statistics 515 were favorable, as compared with only 156 a year ago. But this latter period has witnessed a gain of only 1.5 percent in employment, hours of labor have been actually lengthened by one-half hour per week, and the real earnings of the individual worker are not appreciably greater than they were in March 1933.

If the return of prosperity, as measured by increased industrial output and higher profits, is going to be accompanied by a desire to return to the wage philosophy of the 1920's, additional and more serious depressions are only a matter of a few years.

The wage problem is not merely a technical question of providing enough purchasing power to keep industry running at full speed. We cannot justify ourselves in stopping short when that level is reached. We must go on to create a fairer system, in which the worker shall share equitably in

our great wealth and live in comfort and security. To deny this right to men who are intelligent is to invite unrest and violence.

The same principles apply to hours of labor. Most of the maximum-hour scales are far too high even by the narrow test of reemployment measures. They are indefensibly high when contrasted with the number of hours that people shall be required to work in a highly industrialized civilization.

Finally, let us turn to problems of administration. General Johnson and the men under him have faced a superhuman task with superhuman efforts, with vision, fairness, and courage. There has been no time since the war, and possibly not even then, when the public service here in Washington has attracted so many people of the highest caliber intent upon service and relatively unguided by the desire for personal aggrandizement. They deserve the highest tribute.

The able critics of the recovery program have said that it is fatally defective because it is advised by the very leaders who brought about disaster in 1929. I do not believe that our troubles were brought on solely by improper leadership; many of them were caused by an outworn economic system. The same men, when given an opportunity to cooperate and to receive the advice of Government, may achieve far better results. Nevertheless, there is a good deal of force in this thoughtful criticism.

The cooperation of industry and labor should be balanced by governmental agencies for the protection of the public. Obviously there would be no such balance if the Recovery Administration itself were composed preponderantly of men whose primary associations are with particular interests. If Government is going to participate in economic affairs, an independent and unhampered public service should be developed for this purpose, just as for the administration of justice, the preservation of peace, and the education of the young. I realize that this cannot be done overnight, because the trained personnel does not exist. I believe that it will be done within a reasonable time and that we should turn our efforts in that direction.

I am not devoting any special attention today to the labor problems of the new deal, because I expect to discuss these before the Senate in the near future.

We cannot measure the accomplishments of the past year simply by telling the bloodless story of reopened banks and factories, nor even by counting the millions of families whose lives have been removed from the dark cellars of extreme poverty. Of far greater significance is our new faith in democratic government as an instrument for promoting the common weal. With pride in our progress, and with humility in our mistakes, let us continue the recreation of a mighty nation serving the purposes of mankind.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. BARBOUR. Mr. President, as I have already spoken once on the subject now before the Senate, the so-called "tariff bill", I shall be very brief in adding a few further remarks at this time. I desire to speak about the bill now pending before the Senate which proposes to give to the President power to negotiate reciprocal tariff agreements with other countries and put them into force without referring them to Congress for approval.

I should like to discuss this proposed legislation in two parts: First, to point out certain of the general objections to the bill; secondly, to consider in some detail its possible effect upon the people of the State of New Jersey.

Before considering these general objections, it is perhaps well to outline briefly the major provisions of the bill.

In addition to conferring upon the President power to negotiate trade agreements without submitting them to Congress for approval, the bill authorizies him to raise or lower, by 50 percent, and duty in the existing tariff law. The agreements that are entered into are subject to termination on due notification within 3 years, but may be continued indefinitely if this notice is not given. The authorization of these powers has been asked for on the ground that it is essential as a part of the recovery program to stimulate our exports, and it has been frankly stated that we cannot expect to increase our exports without making provision to receive corresponding increases in importations. It is fair to assume that we already import as much duty-free merchandise as we can use; so, if we are to enter into reciprocal arrangements with other countries, it must be in terms of concessions in the dutiable list.

As Senators know, I have endeavored to support the administration in its recovery program; and I should be extremely reluctant to take a stand in opposition to this proposed transfer of power if I were at all convinced that it is an essential unit in the recovery program. I am satisfied, however, that rather than being an essential unit in the recovery program the authorization of power to the President to negotiate reciprocal trade agreements constitutes a very real menace to some of the most fundamental elements in the rest of the recovery program.

Senators are all aware of the fact that the President has urged upon industry operating under N.R.A. codes that they further shorten the hours of labor and increase the rates of pay. They should also know that one of the problems that are still matters of major concern to the administration is the stimulation of the so-called "durable-goods industries." It does not require much reflection to see that these two demands involve increased labor costs, on the one hand, and increased capital investment, on the other. It does not seem to me natural to expect that industries which are dependent on the tariff for their very existence will be willing to enter into commitments for increased expenditures in the face of a very real prospect that their tariff protection may be arbitrarily reduced. In other words, it seems to me very much as if industry were being asked to put some more chips on the table at the same time that they were told there were some marked cards in the deck.

One other point, I think, should be emphasized in connection with the argument that this move is essential to the recovery program. Both the President, in his message, and Secretary Hull, in his defense of the bill before the Ways and Means Committee in the House, emphasized the fact that quick results are not to be expected from this drastic change in our tariff policy. I take these observations as an indication of an attempt to establish a new type of commercial policy for our foreign trade, and an indication that, it is admitted, even by the proponents of this measure, any direct contributions to recovery in the immediate future will be comparatively slight.

This brings me to the consideration of a second argument that has been advanced in behalf of the proposed legislation. Because other countries follow this bargaining policy, and because our foreign trade has declined during the depression years, as has the foreign trade of every other country in the world, it has been argued that unless we devise some means by which we can imitate the horse-trading practices of other countries, it will be a matter of but little time before we shall have no foreign trade whatever. Such assertions are utterly without justification. As a matter of fact, our foreign trade for 1933 was greater, both in value and volume, in exports and imports than was our foreign trade in 1932.

We have been told repeatedly by the advocates of this bill that it is essential to have a quicker method of adjusting our tariff rates than the method which we now follow. They do not tell us, however, of the complications and animosities that a bargaining tariff policy is likely to stimulate. There is ample testimony from many responsible and well-informed people as to the undesirability of such a policy for the United States. Thomas Walker Page, a Democratic member of the Tariff Commission, and William Culbertson, a former member of the same body, have indicated their belief that such a policy is impracticable for the United States. The present United States Tariff Commission in a document published last year concluded a discussion of bargaining

tariffs with the statement that because so many countries have been padding their tariffs for purposes of bargaining, "reciprocal tariff agreements by which concessions were made in return for the reduction of such temporary duties might mean the grant of valuable concessions in return for wholly problematical concessions."

Few things are closer to the people of America today than the subject of employment, or unemployment, whichever way we wish to put it. With some 10,000,000 or more wage earners unemployed, it is most natural that those who are employed and those hopeful of securing employment have reason to be apprehensive and fearful of any legislation which may result in decreasing employment opportunities for American workers.

In a report dated March 1, 1933, the United States Tariff Commission showed that the drop in American export trade resulted in 500,000 workers in the industrial and agricultural fields being deprived of employment opportunities. This number is but 5 percent of the number of workers who have been deprived of employment opportunities as a result of the drop in our domestic trade. It is readily apparent from these figures that a return to normal employment conditions is not dependent upon restoration of our foreign trade. The same Tariff Commission report shows that an increase of 12 percent in the wages of our industrial workers would, of itself, offset the entire loss of our export trade. I might add that there is further doubt of the value of foreign trade when we realize that exports to Europe, Asia, and South America must be paid for, as I have previously stated, in imports of manufactured goods, agricultural products, or minerals, or more I O U's.

There are other important arguments against this bill, but I shall not take the Senate's time to go over all of them, as they are already well known. I should like, however, to take a moment to draw attention to the possible effect upon the productive activity of one State of the Union, namely, New Jersey, my own State, with which, quite naturally, I am more familiar than any other.

According to the latest detailed census, 440,000 people were directly employed in the manufacturing industries in New Jersey. There is no published formula as to what industries would be selected for sacrifice, and all attempts to elicit from the advocates of this bill a list of industries that would be chosen have been unsuccessful. We have, however, the statement attributed to Hon. Harry L. Hopkins, Director of the Emergency Relief Administration, to the effect that it would be desirable to eliminate a number of the industries on the Atlantic seaboard; and we have some very definite statements by Secretary Hull as to some of the tests he would employ in choosing the duties which could be reduced. There is also much talk of eliminating the inefficient industries; but no one, as far as I know, has dared to describe the divining rod by which he could discover which industries are allegedly inefficient.

Obviously, if it is the intention of the administration that these powers shall be used, they must either sacrifice a large number of small industries or pick on a smaller number of major industries. In either event, the picture for New Jersey is not a happy one. Out of the 440,000 people employed in New Jersey manufacturing industries in 1929, 125,000 were employed in what we may define as the smaller industries. These industries include the leather industry, the pottery industry, manufacture of paints and varnishes, production of rubber goods, cast-iron pipe, pencils, pens, buttons, cutlery, embroideries, felt hats, and laces. They are entirely dependent upon a high protective tariff, and the other nations of the world would give much to see these industries put out of business.

If the administration should choose to center on the larger industries, we find an equally depressing picture as far as New Jersey is concerned. Over 150,000 residents of New Jersey are employed in these larger industries. These industries include manufacture of silk and rayon products, dying and finishing of textiles, production of many forms of electrical machinery, clothing, chemicals, and glass.

So, if we combine the employment in the small industries with the employment in the major industries in New Jersey most likely to suffer from this policy, we discover that over 60 percent of the industries of the State would be put in a position of complete uncertainty as to the future. I do not suggest that all of these industries would be eliminated; but I do state that, in view of the terms of the proposed legislation, it will become foolhardy for the industries to enter into any commitments which involve further obligations.

I wish to refer also to the present critical situation with relation to trade development in the world owing to the encroachments of Japan in the world markets. This has already been given extra emphasis by the recent practical declaration of war on Japanese encroachments by Great Britain, which have been so serious to the Britons that Japan has practically taken from them the cotton-goods trade in India, as well as making serious encroachments in Canada, Africa, and Australia. The same encroachment in France has been so serious that the Lyons Chamber of Commerce has petitioned the French Government for protection against it.

If the pending tariff bill shall be enacted, it will be impossible, under the most-favored-nation clause, for our Government to negotiate any treaty with relation to any government in the world without extending the same benefits and reductions to Japan and China under existing treaties. It might be considered as inevitable that the United States will find itself in even a worse position than either France or England in a trade war with the Orient because of the wage levels established by the N.R.A.

Mr. HATFIELD. Mr. President——

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Does the Senator from New Jersey yield to the Senator from West Virginia?

Mr. BARBOUR. I yield.

Mr. HATFIELD. The Senator is aware of the fact that New Jersey is the proud possessor of the greatest chemical industrial business in the United States?

Mr. BARBOUR. I know that.

Mr. HATFIELD. He is also aware of the fact that this industry was largely developed within a period of 15 years?

Mr. BARBOUR. That is true.

Mr. HATFIELD. Due to the fact that it has had a sufficient protective tariff to assure its growth and development?

Mr. BARBOUR. The Senator is perfectly correct.

Mr. HATFIELD. He is further aware of the fact that New Jersey at one time had the only ultra-marine blue chemical industry in the United States, and that that industry was destroyed by the ability of the German industry to undersell the American industry because there was not sufficient protection afforded to assure a continuation of the life of that industry in New Jersey?

Mr. BARBOUR. I thank the Senator very much for his very timely observations. I should like to say to the Senator that it is my intention later to offer an amendment directly affecting the very industry to which the Senator refers, speaking now more particularly of the dye industry.

Mr. HATFIELD. The Senator is further aware of the fact that for 150 years the United States had no chemical industry?

Mr. BARBOUR. That is true; and it will not have any for the next 150 years if we shall tinker with and reduce the tariff.

Mr. HATFIELD. I agree with the Senator's statement.

Mr. BARBOUR. I thank the Senator again.

Mr. President, in conclusion, I should like to direct the attention of the Senate to the possibility of stimulating American export trade by entirely pro-American means. I refer to the huge foreign imports into the United States each year, and I desire to point out that if a system of reciprocal trading is to be set up, which I do not advocate, in that event certainly the trade favors which foreign countries already enjoy in the United States to the extent of $1,400,000,000 a year, should be the basis of the bargainings. I see nothing unfair or illogical in asking for reciprocal advantages, if that sort of thing is to be done, in return for a continuation of this enormous trade. Why deal only in the further extension of new and additional trade advantages

within the United States at the expense of some American protected commodity of either agriculture or industry?

I for one cannot think in terms of always bargaining on the basis of concessions or loans. The existing privileges and advantages held in the United States by other nations that show no inclination to pay their debts should be the basis of the proposed negotiations, if there is to be any tariff bargaining at all.

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. BARBOUR. I yield.

Mr. VANDENBERG. In full confirmation of what the Senator has just said, I wish to call his attention to the statement issued by the Department of State on December 15, 1933, in which it was indicated that a so-called "model reciprocal agreement" had been negotiated between Colombia and the United States. Up to date they have not allowed us to see this interesting model agreement, but in the press release of the Department of State on the 15th of December it was indicated that they had made this tentative agreement with Colombia on the basis merely of agreeing to continue the existing exemptions on the free list in behalf of Colombian products. In other words, that for which the Senator from New Jersey contends and which he recently joined me in supporting in a public statement, is so completely practical, even from the standpoint of those who are contending for the pending reciprocal tariff agreement bill, that it is borne out and personified and exemplified by the one so-called "model agreement" at which we have not thus far been permitted to peep. In other words, the Senator is not only justified in what he says by the logic of the situation, but he is actually justified by the tentative operations of the State Department itself.

Mr. BARBOUR. Mr. President, I am very glad indeed the Senator from Michigan has drawn attention to the sample case, so to speak, to which he refers, which illustrates so completely what he and I have felt all along and what I said a moment ago. The President can take action along that line whenever and as often as there is any need for it without this particular piece of legislation for which he is asking, just as he has the power to increase tariffs now under the provisions of the N.R.A. law, which gives him that authority.

Mr. DICKINSON. Mr. President, will the Senator yield to me?

Mr. BARBOUR. I am very glad to yield.

Mr. DICKINSON. I should like to know whether or not the shrinkage in imports and the shrinkage in exports are relative so far as imports which are free of duty and imports which may bear a duty are concerned. In other words, have we not suffered about the same decline in the economic turnover on imports which are free of duty as in the case of imports on which a duty is charged?

Mr. BARBOUR. The Senator is quite correct. As I said a moment ago, speaking along the same general line, while many Senators on the other side of the aisle stress the point that our exports have fallen off, the exports of every country about which I have been able to secure any information have also fallen off. The business of the whole world is somewhat lower and, as the Senator has said, it does not take any stretch of the imagination at all to lead one to the conclusion that, if anything, the imports of merchandise and other commodities on the free list are slightly lower in proportion than are those on the dutiable list.

Mr. DICKINSON. Permit me to make the further suggestion, that the decrease in our economic turnover, as will be found if it is studied commodity by commodity, occurs in the heaviest percentage in the articles which the people can get along without. It will be found that the commodities the people must have are maintaining a higher level in the economic turnover than are those we can get along without. For instance, there has been a tremendous decline in the sale of automobiles, because there has not been the capacity to buy them or the capacity to operate them there once was. We find also that there has been a decline in the consumption of foodstuffs, yet the percentage of decline is not so great as in the case of commodities, such as automobiles, radios, jewelry, and what might be called "semi-necessary articles."

Mr. BARBOUR. Mr. President, I thank the Senator. I think one of the key objections in the whole situation can be summed up in a word; that is, the uncertainty of the whole undertaking. No one knows where the lightning will strike next, or how hard it will strike, or what the intent of the administration will be. As a matter of fact, the administration stress the fact that they want to be in a position to move overnight in the White House, in order to do the thing effectively. In my opinion, that is not only un-American but it is also disconcerting to such a degree as to mean chaos so far as business is concerned.

Mr. DICKINSON. In line with the old theory that the right to tax is also the right to destroy, it will put the business man in a quandary as to what his future is to be the minute we adopt a theory of this kind.

Mr. BARBOUR. It will put the business man in the frame of mind where he will feel it to be foolish to undertake any commitment if his industry is in a measure dependent upon protection.

Mr. VANDENBERG. Mr. President, if the Senator will permit me, I wish to make an observation in line with the statement just made by the Senator from Iowa [Mr. DICKINSON]. Of course, the power to tax is the power to destroy, and in this instance there is the deliberate purpose to destroy, because we are advised that the new rule which is to determine the maintenance of protection is not a rule related to differences in cost of production, but it is a rule relating solely to the question whether or not the new tariff commissars in the United States think an existing business is efficient and nonexpensive. They intend to destroy those businesses which they consider to be expensive and inefficient. They intend to use the tax power for the purpose of destruction. That is implicit in the very program which they bring us.

Mr. BARBOUR. And further than that, Mr. President, along the very line of the intent and the danger of that intent, to which the Senator from Michigan has drawn attention, in my judgment, that intent exists with reference to areas as well as to industries.

I do not wish to take up any more of the time of the Senate, because the Senator from West Virginia [Mr. HATFIELD] is to follow me.

Mr. FESS. Mr. President, the Senator in his address referred to the controversy between Great Britain and Japan. I wish the Senator would emphasize the fact that Great Britain, according to the announcement of Runciman, did not resort to bargaining tariffs to cure her difficulty, as she had the power to do had she wanted to, but, instead, inaugurated a form of protective tariff, such as we are trying to preserve.

Mr. BARBOUR. I am grateful to the Senator from Ohio for bringing out that fact, which, of course, I had in mind, although perhaps I did not express it clearly.

Mr. President, I send to the desk an amendment which I ask to have printed and lie on the table. I shall want to bring up the amendment at a later date.

The PRESIDING OFFICER. Without objection, the amendment intended to be proposed by the Senator from New Jersey will be received, printed, and lie on the table.

Mr. HATFIELD. Mr. President, according to reports, the Code Authorities, those business interests placed in control of our American industries since they have been regimented under the N.R.A., have, during the past few weeks, found it necessary to curtail production because of what they contend is overproduction or lack of purchasing power.

The American Federation of Labor reports that unemployment is increasing, and predicts a substantial increase in the millions of unemployed within the next few months.

Thus management and workers have called the attention of Congress to the immediate need for legislation which will help and not retard recovery.

Industrialists who believed themselves compelled to operate under the N.R.A., through which the Government has permitted some groups to exploit the consumers and workers by the suspension of the antitrust laws, and by means of minimum wages and maximum hours, cannot be expected to come out and state that recovery is being retarded as a result of legislation demanded by the very administration which has surrendered to them. Codes have increased production costs, and many codes have caused undue price advances which may curtail consumption.

Mr. President, I digress at this point long enough to pay tribute to the distinguished Senator from North Dakota [Mr. NYE], who has given to this Nation and to the world a description of the administration of the National Recovery Act which should impress the mind of every man beneath the American flag, and I trust that as time goes on this distinguished representative from the great State of North Dakota will still uncover and unfold the course along which this administration will lead the industrial group of our country, if its course is not stayed by the Congress of the United States.

Naturally, factories and workshops producing articles or commodities which are unable to meet the competition of the products of European and Asiatic workers without proper tariff protection will hesitate to purchase raw materials, and will hesitate to employ labor when they see the administration forcing Congress to enact legislation which makes possible the lowering of tariff rates some 50 percent by a mere Executive fiat.

With 10,000,000 or more workers unemployed and dependent upon public charity, the administration indicates its lack of interest by virtual notice to the American people that their interests now lie principally in guaranteeing profits to international financiers and those few possessing securities of foreign nations.

The recent decision of Attorney General Cummings, undoubtedly influenced by the White House, indicates the contempt which the President has for the intent of the Congress.

Under the able and inspiring leadership of the senior Senator from California [Mr. JOHNSON] the Congress voted to prohibit the sale in our country of securities of those foreign countries which had refused to pay their obligations, voluntarily entered into, to our country and our people.

This legislation was enacted with full realization that foreign governments, debtors to the United States, were reducing the taxes placed upon their people at the very moment we were enacting the highest taxes ever imposed upon the American people in peace times.

Mr. President, the American does not know what high taxation will mean if we expect to pay off our mounting public debt. Our high taxes mean high costs of production.

Yet, Mr. President, we find Great Britain owing to the United States Government $4,636,157,358.30, of which $176,120,246.63 is in default. Through the decision of the Attorney General—which to my mind is clearly contrary to the intent of the Congress and the legislation enacted—Great Britain is placed in a position wherein her present leaders can laugh at the efforts of the American Congress; and Great Britain can continue to reduce the taxes on her people and still refuse to pay her obligations to the United States.

Mr. President, I hold in my hand a statement of the debt owed by Europe to the United States, and I ask that it be placed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

WHAT FOREIGN NATIONS OWE UNITED STATES TABULATED

WASHINGTON, May 5.—The indebtedness of foreign nations to the United States Government (including those countries which have no funding agreement) is shown in the following table prepared for the Senate by the Treasury Department last January.

	Total indebtedness	Amounts unpaid according to contract
FUNDED INDEBTEDNESS		
Countries which have made payments on account of amounts due July 1, 1932–January 4, 1934:		
Czechoslovakia	$165,283,195.35	$2,852,898.61
Great Britain	4,636,157,358.30	176,120,246.63
Greece	32,583,338.65	1,379,690.83
Italy	2,008,103,288.76	13,687,010.12
Latvia	7,312,658.38	286,462.10
Lithuania	6,554,544.23	221,169.92
Rumania	63,871,783.49	1,048,750.08
Total	6,919,866,167.16	195,596,228.29
Countries which made no payments on account of amounts due in same period:		
Austria	23,757,934.13	34,707.23
Belgium	411,166,529.09	11,309,453.89
Estonia	17,784,695.59	989,985.22
France	3,960,772,238.30	82,308,312.22
Germany (reichsmarks convertible, at $0.2382)	724,186,140.53	959,377.17
Hungary	2,051,938.61	114,628.64
Poland	222,560,466.43	12,317,829.71
Yugoslavia	61,625,000.00	525,000.00
Total	5,423,905,542.68	108,559,354.14
Total under funding agreements	12,352,498,355.47	304,155,582.43
UNFUNDED INDEBTEDNESS		
Armenia	20,313,416.63	20,313,416.66
Nicaragua	416,550.13	416,550.13
Russia	337,223,288.14	337,223,288.14
Total	357,953,254.93	357,953,254.93
Grand total	2,710,451,610.40	662,108,837.36

NOTE.—Finland, with a total debt of $8,726,645.63, has met every payment when due.

The situation will change on June 15, when further installments fall due as follows:

Great Britain, $85,670,765; France, $59,000,218; Italy, $14,741,593; Belgium, $7,159,453; Poland, $4,039,039; Czechoslovakia, $1,682,812; Rumania, $1,248,750; Estonia, $322,850; Yugoslavia, $800,000; Finland, $166,538; Lithuania, $147,864; Latvia, $134,883; Hungary, $32,669.

Mr. HATFIELD. Surely it will not be contended that the token payment of 4.2 percent of that which is due, on the part of a nation which is solvent enough to reduce the taxes upon her own people, meets the financial obligations which she owes.

Not only has Great Britain refused to meet the payments due to the United States but she has publicly stated—for actions speak louder than words—that no provision is made in her budget for debt payments to the United States.

Most likely, Mr. President, the officers of the Bank of England have been advised by the international financiers, who have influenced the President to insist on legislation which will add millions of workers to the lists of the unemployed if we accept payment of debts in goods through the making of secret reciprocal trade treaties.

We are told that in view of the opposition of some Democratic Senators, who fear possible political trouble if they vote to grant this plenary treaty-making power to the President—which means life or death to the workers, farmers, and miners—that a concession will be made wherein the President will be authorized to give a notice to those interests which are affected by such reciprocal trade treaties.

What value are such hearings if the parties concerned will have no knowledge of the contentions being made by those who wish to benefit the foreigners at the expense of the American people?

On May 1 I addressed the Senate and made reference to the reciprocal-trade treaty signed last December on the part of the State Department and Colombia. At that time I directed attention to the unwillingness of the State Department to even indicate the articles or commodities referred to in that reciprocal-trade treaty.

Since that time I have had occasion to look up the exports of Colombia, and I find that the exports of that country are principally coffee, 1,600,000 bags average in 5 years, 85 percent of which is imported into the United States, bananas, pineapples, cotton, rubber, tobacco, sugar, wheat, barley, potatoes, oats. Colombia has the largest potential oil field, some 34,000 square miles of proven oil territory, Mr. President, a territory 10,000 square miles greater than the great State of West Virginia, which I have the honor

in part to represent in this body. Colombia also exports gold, platinum, and emeralds.

However, as a result of the interest which I displayed in that treaty, I have secured information as to its presumed contents, which information, if true, surely indicates that the treaty has not been negotiated with the intention on the part of the administration to increase employment opportunities of American workers or to benefit American farmers, but solely for the further enrichment of a few wealthy American concerns which possess valuable concessions in Colombia and which ship large portions of their products into the United States.

Mr. DICKINSON. Mr. President, will the Senator from West Virginia yield to me?

Mr. HATFIELD. I gladly yield to the Senator from Iowa.

Mr. DICKINSON. I should like to inquire, in view of the fact that practically all the exports from Colombia are agricultural or raw products——

Mr. HATFIELD. That is very true.

Mr. DICKINSON. If that same condition does not apply to practically all the South American countries?

Mr. HATFIELD. It undoubtedly does.

Mr. DICKINSON. And also to Canada on our north?

Mr. HATFIELD. I think that is a correct statement. I may say to the Senator from Iowa that 90 percent of the imports coming from Colombia are represented by two commodities, one of which is fruit and the other crude oil.

Mr. DICKINSON. Both of which we produce in this country.

Mr. HATFIELD. We produce them bountifully; in fact, we have an overproduction.

Mr. DICKINSON. Then, I presume, we are going to have a great time trading jackknives with Colombia, which produces a surplus of the very commodities which we also produce in surplus.

Mr. HATFIELD. That is my fear.

Mr. DICKINSON. The same thing applies to Russia. The principal Russian exports are lumber products, wheat, barley, and other grains, and yet we are establishing a bank with a hundred million dollars capital, supplied by Government funds, to increase our trade with Russia.

Mr. HATFIELD. And because of these fears, Mr. President, I asked the Secretary of State for information upon the subject matter of this treaty. His assistant, who was very courteous, very considerate, very friendly, stated to me that it was a secret and that he could not give me the information but that he would do the very best thing, and he did it very promptly. So he sent me a news release which the office of the Secretary of State was willing to give to the public. That was all the information that a United States Senator was entitled to, notwithstanding he represented a State whose interests are involved in the production of the same commodities which are shipped here from the great Republic of Colombia.

Mr. DICKINSON. Mr. President, will the Senator yield further?

Mr. HATFIELD. I gladly yield to the Senator.

Mr. DICKINSON. There can be no secrecy, though, about the products in which we can trade with Colombia, can there?

Mr. HATFIELD. None whatever.

Mr. DICKINSON. Therefore, it was simply secret with reference to the type of negotiation as to who shall be crucified and who shall be assisted?

Mr. HATFIELD. Not only is that true, Mr. President, but if it was a treaty that was going to be helpful to the American toiler, to the American people as a whole, to the consumers of this country, they should know of it; it should be made public.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HATFIELD. I am glad to yield to the able Senator from Michigan.

Mr. VANDENBERG. I understand the Senator has a resolution pending asking for permission to look at this treaty?

Mr. HATFIELD. That is true.

Mr. VANDENBERG. I trust the Senator proposes to ask for action in the course of the day upon his resolution.

Mr. HATFIELD. It is my purpose to do so.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. The Senators are referring to a treaty in process of negotiation. They are insisting upon the publication of the treaty before the negotiation has been completed and before the Executive chooses to transmit it to the Senate. I will say now that I cannot consent to the resolution proposed by the Senator from West Virginia. It does not seem to me to be proper to ask the President, as the resolution does, about a treaty of this character.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. ROBINSON of Arkansas. I yield, with the permission of the Senator from West Virginia.

Mr. HATFIELD. I yield.

Mr. VANDENBERG. Does the Senator from Arkansas understand that this treaty is one which is subsequently to be submitted to the Senate for ratification?

Mr. ROBINSON of Arkansas. I have no information about the matter except what I have obtained in the process of debate here. If it is a treaty, of course, it has to be submitted for ratification, and I assumed that the Senators knew what they were talking about when they characterized it as a treaty.

Mr. VANDENBERG. The Senator from West Virginia and the Senator from Michigan are forced to rely upon such information as is available from the State Department respecting this matter, and the State Department, in a press release of December 15, states that it is a reciprocal trade agreement, and also states that—

> It will come into force after the necessary legislative action shall have been taken in the United States.

Mr. ROBINSON of Arkansas. Of course, that is a very different thing from a treaty, if that statement be correct.

Mr. VANDENBERG. Then, Mr. President, we confront the situation that this is not a treaty which was negotiated last fall and winter, which it is expected to submit to the Senate in due order, but it is a trade agreement in anticipation of the action of Congress upon the pending bill.

Mr. ROBINSON of Arkansas. Of course, no trade agreement can become effective until there is authority of law for it.

Mr. VANDENBERG. Certainly not, but we then confront the contemplation that this is the exercise, the tentative exercise, of a power not yet granted by Congress.

Mr. ROBINSON of Arkansas. Of course, it cannot be the exercise of a power not granted; that is impossible, both in law and in fact.

Mr. VANDENBERG. And yet exists.

Mr. ROBINSON of Arkansas. What the Senator means to say, I presume, is that in anticipation of the possible grant of authority negotiations have been in progress with Colombia.

Mr. VANDENBERG. It is not a matter of negotiations being in progress; it is a matter, according to the Department of State, of the signing of a reciprocal trade agreement 4 months before we even have an opportunity to decide in Congress whether or not the President is entitled to proceed to negotiate one of these trade agreements.

Mr. ROBINSON of Arkansas. Of course, the execution of such an agreement would be void unless validated by law.

Mr. HATFIELD. Not only is what the Senator from Michigan says true, but the news release states that the contracting parties are waiting for proper legislation to put it into effect.

Mr. VANDENBERG. That is correct.

Mr. FESS. Mr. President, will the Senator yield?

Mr. HATFIELD. I am glad to yield to the able Senator from Ohio.

Mr. FESS. The question of secrecy has been discussed, and that is one of the elements claimed to be necessary in connection with proposed tariff bargaining.

Mr. HATFIELD. That is true.

Mr. FESS. I wonder if the Senator recalls the famous contribution upon the tariff question by Woodrow Wilson in 1909?

Mr. HATFIELD. I have read the contribution of that distinguished American with a great deal of interest.

Mr. FESS. May I read one paragraph?

Mr. HATFIELD. I should be delighted to have the Senator read a paragraph.

Mr. FESS. I quote from Woodrow Wilson as follows:

> It is the policy of silence and secrecy, indeed, with regard to the whole process that makes it absolutely inconsistent with every standard of public duty and political integrity.

Mr. HATFIELD. I thank the Senator for contributing the quotation of this famous statesman to the discussion.

Mr. President, I have reason to believe that this so-called "reciprocal trade treaty" between the United States and Colombia was made in order to protect American petroleum and American fruit interests with large holdings in Colombia from the payment of export taxes on petroleum and fruits which these interests ship into American markets, using low-paid foreign labor.

Of course, Mr. President, the United States of America cannot apply an export tax, but I understand that form of taxation is in vogue in Colombia.

The farm States of the West and Southwest are the principal beneficiaries of the excise tax placed on imports of petroleum. Surely it is not helping the people of those States to remove or reduce the excise tax on imports of petroleum.

We are today operating the petroleum industry of America under a code; we are permitting, through the Government of the United States, only a certain percentage of well production, and in some instances one oil corporation in America is capable of producing daily a sufficient amount of oil for every purpose, for every consuming need.

Further, is it not possible that Venezuela will demand and receive similar concessions from the United States for her oil and fruits, and that every other country will do likewise?

For the benefit of those who may have been led to believe that this reciprocal trade treaty will advance the sale of our surplus wheat, pork products, or corn, let me remind the Senate that Argentina has an exportable surplus of wheat, hides, meats, corn, and other agricultural products.

It is possible that the reciprocal trade treaty, entered into with Colombia on the part of the State Department last December, contains provisions which will benefit some of the people of our country. If so, why the secrecy?

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HATFIELD. I gladly yield to the able Senator.

Mr. VANDENBERG. The Senator from Arkansas, who, I regret, has left the floor, chided the Senator from West Virginia and myself for not knowing whether this pending thing is a treaty or a trade agreement. I find upon further consultation with page 7755 of the CONGRESSIONAL RECORD, where the initial publication appears, that the Assistant Secretary of State refers to it in one instance as a treaty and in the other instance as a reciprocal trade agreement. So the confusion in which the Senator from West Virginia and myself find ourselves also communicates itself to the State Department.

Mr. HATFIELD. I thank the Senator.

Was any hearing held or were any American interests, other than those owning possessions or concessions in Colombia, consulted or given an opportunity to protest before this treaty was entered into on the part of our State Department? Under this bill it may be promulgated without review by the Senate.

When that time comes after the enactment of the pending tariff legislation, what will be the embarrassing attitude of the American oil industry and of the American people generally? When this power is given to the President of the United States, if the legislation be constitutional, it will take a two-thirds vote of the Congress to relieve him of this great power which he would have.

Is it possible that this treaty will be nullified now after it has been signed by the contracting parties, as the result of any protest on the part of our American oil or fruit interests? Only the Senate can nullify it, and even the Senate could not do so should this measure become a law.

Mr. President, why is it that the Foreign Relations Committee cannot call before it the proper officials of the State Department now and examine the contents of this treaty which, under the Constitution, the Senate must ratify or reject if it is to assume that responsibility which the American people intend it to assume in keeping with its obligation and its oath?

Mr. President, this is but a sample of the treatment accorded the Congress since the inception of the new deal, we hear so much about, predicated upon control, reform, spend, and tax, with a besmirching of all that belongs to the past.

At a time when every real American is intent upon aiding recovery of our people, we are asked to legislate on tariff reform, to make the President a tariff dictator.

Since the inauguration on March 4, 1933, the Congress has delegated practically dictatorial powers to the President on the plea of emergency, and, further, that such powers were essential to immediate recovery.

It is common sense that we retard any possible recovery when the House passes and the powerful and influential Finance Committee of the Senate reports a measure, making the President a tariff dictator, which instills fear and uncertainty in the hearts and minds of millions of our people. Development, extension, and progress are at a standstill, owing to this overpowering uncertainty.

As the able senior Senator from Ohio [Mr. FESS] the other day pointed out, there is no man who is capable of allocating sufficient funds to develop an industry and to continue its progress by research essential to enable it to keep up with the trend of progress of industries in the Nation as compared with industries beyond the seas. It was my pleasure to point out to him one example dealing with the great chemical industry which has developed in the past 15 years under the Stars and Stripes through the protection of the Fordney-McCumber law and the Smoot-Hawley tariff law. There is being spent approximately, we are told, $75,000,000 to $100,000,000 yearly in research for the development and progress of the chemical industry of America, and today, because of its wonderful achievement, because of the enthusiasm, because of the stimulus that has been given to the American chemist, he can stand squarely on American soil and say to the chemists on the Rhine, "We have even surpassed you in progress and in development in the chemical world."

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BONE in the chair). Does the Senator from West Virginia yield to the Senator from Ohio?

Mr. HATFIELD. I gladly yield to the able Senator.

Mr. FESS. Is it not true in industry where there are many activities, one producing a certain article and another producing a similar article, as, for example, in the application of electricity, that the unit which fails to keep abreast of new inventions through research work is the one that must go down, and the one that survives and the cause of its survival is the amount of time, energy, money, and intelligence expended in the research field? Is not that true?

Mr. HATFIELD. It is absolutely true.

Mr. FESS. How much of it would have been done if it had had to be done by the dead hand of government?

Mr. HATFIELD. Mr. President, we would stand still, we would retrograde, we would go back to the period of the Dark Ages, in my judgment.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Louisiana?

Mr. HATFIELD. I am glad to yield.

Mr. LONG. I understood the Senator from West Virginia had introduced a resolution asking the State Department to give the Senate full information regarding the

Colombian Treaty which they have already negotiated in anticipation of the passage of the pending tariff bill. What became of the Senator's resolution?

Mr. HATFIELD. The resolution is now on the clerk's desk awaiting the consideration of the Senate.

Mr. LONG. When will we be able to bring it up for consideration? I think it might be quite enlightening to have the information called for by the resolution.

Mr. HATFIELD. I will say to the able Senator from Louisiana that I should be quite willing to have it brought up at any time.

Mr. LONG. Will the Senator permit me to suggest the absence of a quorum and then ask to have the resolution considered today?

Mr. KING. Mr. President, I shall have to object to the consideration of the resolution today.

Mr. McKELLAR. So shall I.

Mr. HATFIELD. I will say for the information of the distinguished Senator from Louisiana that the eminent leader on the majority side, the Senator from Arkansas [Mr. ROBINSON], served notice a while ago that he would be compelled to object to the consideration of the resolution at the present time.

Mr. LONG. If the Senator will permit me, I think we ought to know first just who has the pickle in the soak. It is a very odd thing that the State Department should want to be so very guarded about the thing that we cannot know what has already been done. What kind of a deal has been cooked up for the American people? Have they gone out and negotiated a treaty? Here are men in the Senate of the United States elected by the people and supposed to be the treaty-making body of the Government. Yet these officials are negotiating a treaty with Colombia as a result of which somebody is going to get it in the neck. They are going to take somebody's business away from them in this country. They have given out a press release stating that they have actually negotiated the treaty, but they do not want full information about it to get out until they get the matter confirmed by the Senate. In other words, here is a treaty which they do not think the Senate will approve and therefore they say, "Go ahead and enact a law ratifying the treaty before we let you see it or know what is in it."

That is a pretty good sample of the kind of thing that causes those of us who are trying to maintain a little of the spirit of constitutional government to become apprehensive. This would seem to be a dark-hour process of ratifying in advance something about which we have no knowledge whatever. It does not look very good to me. It is not what I would call "dealing in the light." In other words, if you are going to load the dice, at least let me see them when they fall. Give me that much chance.

Mr. HATFIELD. I may say to the able Senator that, as I understand, the secret process is the only way in which reciprocal treaties will be negotiated under this bill if it shall become a law.

Mr. LONG. That may be true; but there is ethics in all lines. In other words, I would not intimate that anybody in this august body would engage in such a practice; but if a man went into a gambling dive where he knew they had the cards marked they would at least let him see one side of them. In this instance we cannot even see the back of the card. They want us to ratify in advance a treaty that they have made with Colombia.

What does Colombia produce? We all know that there is no product of Colombia that does not interfere with the products of either Arizona, Louisiana, Florida, or California, one or the others. They have oil in Colombia, they have certain fruits and certain vegetables and certain mines; that is all. Now, the State Department has a treaty all cooked up with Colombia, and they are holding it over here in cold storage waiting for the Senate to ratify it so that they can give it out to the world and cut somebody's throat, and they will not send it in here. It is the most ridiculous proposition I ever heard of.

Perhaps I do not understand legislating in a national way. I do not suppose I do. But I never understood that there was anything to be hidden in a matter of this kind or that we were called on to vote on something and approve something that we were not going to be allowed to see.

Who is afraid of this thing? Are we legislating in this country in such a way that we dare not let the people know what we are doing? Is that the kind of government we are running here—that we do not dare let the American people know what this treaty is that we have with Colombia, but we must enact this bill and then we are going to let them see what is in it? In other words, the doctor is going to pour a dose of medicine down us and he is not going to tell us what disease we are taking it for, and he will make us swallow it whether it is laudanum or arsenic or whatever it is that he is loading in, and nobody is going to know anything about it.

That is what I resent about this kind of thing—trying to enact that kind of proposition here and make people stand for it, and not be willing to bring the treaty in here and let it become known. That is the kind of thing that shows that this is an unwise and unacceptable policy that we are asked to pursue in turning over the treaty-making power to some agency besides the Senate.

Mr. KING. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield to the Senator from Utah.

Mr. KING. To this intelligent body it is not necessary to explain the function of the Executive and the function of the Senate in connection with treaties.

Many treaties have been negotiated which the President of the United States did not submit to the Senate because of changed conditions, and, perhaps, in some instances, because the President did not agree with provisions contained therein.

There is no compelling obligation upon the part of the President to submit a treaty to the Senate. No treaty becomes the law of the land, as contemplated by the Constitution of the United States, until it has been submitted and has been ratified.

Mr. LONG. Why, certainly not.

Mr. KING. I do not know anything about this alleged treaty with Colombia. My recollection is that the Secretary of State has stated before the Finance Committee, as well as elsewhere, that no treaties have been or are now being negotiated in anticipation of the so-called "tariff bill" which is under consideration here.

Moreover, Mr. President, may I say that any man who knows Franklin D. Roosevelt and the distinguished Secretary of State—men of character and ability—knows that they would not approve a treaty which they believed would prove injurious even in the slightest degree to our country.

I am not here to defend President Roosevelt, because he needs no defense; nor to defend the Secretary of State, because he needs no defense. Their records are before the American people.

They are men of honor, of character, and of the highest integrity. They love their country and will do as much for the maintenance of constitutional government and the rights and interests of the American people as any man who lives under the flag.

Mr. LONG. Mr. President, will the Senator from West Virginia yield?

Mr. HATFIELD. I yield.

Mr. LONG. I hope my friend from Utah will not leave the Chamber.

Mr. KING. I have a committee appointment which compels me to leave the Chamber.

Mr. LONG. The Senator from Utah has forgotten the Constitution. Let me say that there never has been a treaty negotiated which has not been submitted to the Senate before it became the law. A treaty must be submitted to the Senate or it cannot become a law; but here is a case in which the State Department have negotiated a treaty, and they not only will not submit it to the Senate but they are

calling upon us to ratify it and make it a law before they will let us know what is in it.

My friend from Utah [Mr. KING], who has suddenly left the Chamber, I know for other and more important business—because no man could devote time less worthily, in my opinion, than to try to pass the bill we have before us right now—says that Mr. Roosevelt needs no defense. He does not. I am going to show you why Franklin Roosevelt needs no defense. Here is what he said about this kind of a bill.

Mr. Roosevelt on July 30, 1932, said this:

It is a difficult and highly technical matter to determine costs of production abroad and at home. A commission of experts can be trusted to find such facts. Then the facts should be left to speak for themselves, free from Presidential interference.

If Mr. Roosevelt's words are to be given the credit which the Senator from Utah says they should have—and I agree they should have—why do we not write into this bill a stipulation that if any reciprocal tariff agreements are to be made they shall be free from Executive interference, instead of being made by the Executive? When are we going to rely upon Mr. Roosevelt? Are we going to come here and say that the American people can depend on him, and then, when I read what he said, are we going to go back on his word?

Evidently the Senator from Utah does not think as much of Mr. Roosevelt as I think of him. I am going to say to these people that when they trusted in the word and in the promise of Mr. Roosevelt and of Huey Long, both of us were telling the truth, and both of us are still telling the truth, until Mr. Roosevelt comes in here and says that he did not mean this or that he did not say it, one of the two things.

This is not an attack upon Mr. Roosevelt. It is an attack made by forces that are not carrying out the philosophy that was presented by Mr. Roosevelt to the American people.

Let me read what was said by Mr. Hull, who has been so ably defended, and who comes from Tennessee and is a friend of mine, and who is negotiating these tariff arrangements. Mr. Hull on May 19, 1932, said:

I am unalterably opposed to section 315 of the Tariff Act and demand its speedy repeal.

I strongly condemn the proposed course of the Republican Party, which contemplates the enlargement and retention of this provision, with such additional authority to the President as would practically vest in him the supreme taxing power of the Nation, contrary to the plainest and most fundamental provisions of the Constitution—a vast and uncontrolled power, larger than had been surrendered by one great coordinate department of government to another since the British House of Commons wrenched the taxing power from an autocratic King.

That is the statement of Mr. Hull. He says that this flexible-tariff provision which he said he was going to help repeal, which was only about a drop in the bucket compared to the bill that is before us, abdicated more power than had been taken away from the British King by the House of Commons; and yet, praising Mr. Hull, as my friend from Utah has done, praising Franklin D. Roosevelt, as we all continue to do—we have to do it, you know [laughter]—continuing this praise, we sit here and allow these promises to the American people to go unfulfilled.

Not only have we President Roosevelt's words, but we had a very able running mate of the President of the United States in that election, who spoke on the matter, and we published this to the world.

Our distinguished Vice President, who deserves all the praises that can be given to any man—and some time I will write out a whole lot of them for use in the next campaign—said:

I want you all to turn over in your minds and see what it means for Congress, representing the people of America, to surrender its rights to levy taxes. Remember this, gentlemen, when the legislative body surrenders its tariff powers and obligations to the Executive.

And I could read many more lines; but my friend from West Virginia has kindly yielded to me, and I do not want to infringe upon his time.

The proposition which is up to the American people is, Is there such a thing in the Democratic Party as truth? That is all: Is there any such thing as truth in the Democratic Party and in Congress? That is the proposition. Are we going back on the word we gave the people? Are we going back on the promise of the Secretary of State and the President of the United States? After what we have told the country, from one end to the other, that this immense power that is about to be placed in the hands of the President should never be conferred, or anything akin to it, are we going to bow down here and have to go before the people humbly admitting that we meant nothing by what we promised, and that the platform on this question—which I can read, and will read at a little later time; I have already read it once, but I will read it again at some other point in this discussion—is going to be ignored by the party in power?

Not only that, but here is this request of the Senator from West Virginia for a copy of a treaty with Colombia. I did not ask for it. I was a well-wisher to the request; but the Senator from West Virginia asks the State Department to send the Senate a treaty which we are told has already been negotiated, and which the State Department officials have said in the public prints they are waiting for us to ratify. They are waiting for us to ratify a treaty which has been negotiated. Mr. Sayre says it is a treaty. That is the word he used. The newspaper article says that he has made a treaty, and he is waiting for the Senate to pass the measure ratifying it before he makes it public.

In other words, this cowardly Congress, as he would take us to be, is going to sit here and let him tell us that he has gone ahead and made a treaty, and we do not dare try to see it nor do we dare try to find out what is in it. He has a pickle in the soak for somebody. He is going to put somebody's business in the discard, and we cannot find out what he is going to do to us until he has hung us. That is what is in this proposal; and I resent it, Mr. President. I, for one, believe that we shall have to let the American people become acquainted with this question.

Party does not mean enough to me to make me sacrifice the Constitution of the United States. Party does not mean enough to me to make me go back on the word of my chief. Party does not mean enough to me to make me go back on the platform promises on which we ran in the last campaign; and nothing means enough to me in the matter of government to make me uphold here the proposition that a Senator who asks, "What is the treaty?" cannot find out what the treaty is upon which we are now voting a ratification, if it shall be voted.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. DICKINSON. In order that we may have a clear understanding, I wish to read the definition of "treaty" from Bouvier's Law Dictionary:

Treaties are agreements between nations of a general nature bearing upon political or commercial questions, and are distinguished from conventions which are agreements relating to minor or specific subjects, such as consular conventions and postal conventions. The right to negotiate treaties is one of the tests of sovereignty. The king is usually the treaty-making power in a monarchy, subject to the advice of his ministers in constitutional governments, and in a republic the chief executive or some part of the legislature. After treaties have been negotiated and signed, they must be ratified by the proper authorities of each state.

The question I wish to suggest to the Senator from West Virginia is, when will the treaty become a trade agreement, and after this legislation shall have been enacted are we to say that the Colombian treaty is a trade agreement, and therefore is an agreement which does not have to be ratified by the Senate, because we will have abdicated our power over tariff agreements, which are really trade treaties? It seems to me it is a very interesting question as to whether or not we ought to call this a treaty or a trade agreement.

Mr. HATFIELD. Mr. President, my response to the distinguished Senator from Iowa is that, in my judgment, it will be interpreted by the Department of State to be a trade agreement, and I do not think it has ever been intended that this treaty should be submitted to the Senate of the United States.

Mr. DICKINSON. In other words, when it is black, we may either call it a pot or a kettle, and it is just the same.

Mr. LONG. Mr. President, the Senator has been very generous, but I should like to interrupt him a moment longer in order to read into the RECORD at this point a short quotation from one of the 14 books of the Bible that was discarded by King James. I should like to read about three lines from the gospel of Baruch, chapter 6.

Mr. HATFIELD. I yield to the Senator for that purpose.

Mr. LONG. It reads:

As for their tongue, it is polished by the workman, and they themselves are gilded and laid over with silver; yet are they but false, and cannot speak.

[Laughter.]

Mr. FESS. Mr. President, will the Senator from West Virginia yield to me?

Mr. HATFIELD. I yield.

Mr. FESS. The Senator from Louisiana referred to the platform and the pledges made by candidates. He also referred to the former position of his party on this particular question.

Mr. VANDENBERG. Whose party?

Mr. FESS. We will not name it. If the Senator from Louisiana would consult the CONGRESSIONAL RECORD, page 7291, volume 75, part 7, he would find the record of the vote on the effort to defeat the flexible provision in the act of 1930. That went no further than to give the President power, within limits, after a recommendation of the scientific commission, known as the "Tariff Commission." The provision was so offensive, in attempting to give the President authority, within limits, to act upon the facts gathered by the Tariff Commission, that Senators on the other side wanted to have it provided that such action on the part of the President should always be referred back to this body for approval, before the President's decree should be effective.

The Senator will recall that the present Chairman of the Committee on Finance, our beloved friend, the Senator from Mississippi [Mr. HARRISON], offered his famous H.R. 6662 as an amendment, making it mandatory that any such proposed action on the part of the President should come back to the Senate before any decree of the President should be effective.

Upon that proposal 36 Democrats voted in the affirmative, and I notice that 6 Republicans voted with them. Not a single Democrat voted against it, while 30 Republicans voted against it. That was a provision to nullify the grant of a limited power to the President. Now, from the same author, comes the pending proposal, greatly to enlarge the power of the President, to enlarge it far beyond the dream of anybody up to that time, and seemingly all but a few are enthusiastically supporting the proposal, which is diametrically opposed to what was done only 2 years ago.

Mr. CLARK. Mr. President, will the Senator from West Virginia yield to me to ask a question of the Senator from Ohio?

Mr. HATFIELD. I am very glad to yield.

Mr. CLARK. How did the Senator from Ohio vote on that amendment?

Mr. FESS. I voted against it, as the Senator would have expected me to vote.

Mr. CLARK. The Senator has reversed his position as much as he claims the Senator from Mississippi has reversed his.

Mr. FESS. Oh, no; not in the slightest degree.

Mr. HATFIELD. I thank the able Senator from Ohio for his contribution. I remember very well the colloquy which took place between the senior Senator from Nebraska and the senior Senator from Kentucky upon the subject at that time on the amendment which would have required that when increases or decreases in tariff rates were recommended by the President as to any item, the entire matter would require the approval of the Senate of the United States. The agreement between the distinguished senior Senator from Nebraska and the distinguished senior Senator from Kentucky was that such recommendations would be approved by this body without question.

Mr. President, one of the leading proponents of the reciprocal trade treaties, Mordecai Ezekiel, possibly second in influence with the President, admits, in an article published in what may be termed the "administration's mouthpiece", the weekly publication entitled "Today" of April 21, page 16, edited by Mr. Moley, and published by Vincent Astor, wealthy owner of the floating White House, that some seven or more millions of workers will be threatened with the loss of their employment opportunities, and that a million or more farmers will be forced into other lines of activity.

To me, that is a very far-reaching statement for any man who occupies a responsible position with the Central Government here at Washington. For instance, a farmer who has lived upon his farm for a great number of years knows something about the farming industry, but if he is put into some other industry, he will have to learn that business, and possibly because of the age he has reached he will not be so adept in arriving at a standard of efficiency which will enable him to earn enough to protect and educate his family.

The same applies to the man who has learned his fellow-craft work in the art of making china, or glass, or steel, or pottery, or in any of the various other industries found under the American flag. After they have delved in those industries for long periods of time, it would be indeed difficult for them to learn a new business to such a standard of efficiency that they would be able to satisfy their home demands, or pay off a mortgage, perchance, they may have been liquidating in part while they were occupied in the positions in which they had served as entered apprentices, and earn positions in the industry as master workmen.

Surely, with such pronouncements on the part of those close to the administration, neither industry, labor, nor farmers can be expected to make purchases except for their immediate needs.

Yet, Mr. President, this legislation, which its proponents publicly and freely admit will add some eight or ten millions of our people to those already on the Government charity lists, is labeled "recovery." At a time when every real American realizes that a termination of Federal meddling is of first importance to speedy recovery, we are asked to enact legislation which will unquestionably retard recovery.

It has been the experience of every nation that it is not well to interfere in any way with the principles which protect the industries which give employment and work opportunities today to the industrial workers who live under their flags, but they guard sacredly those work opportunities, and they undertake to increase the work opportunities by reducing the number of hours of labor and protecting the home trade for the industrial workers.

This legislation will not encourage recovery, except for foreign nations. How? By laying down the bars permitting the importer to claim the market here under the American flag which is now enjoyed by the toilers of this Nation. Some international financers may be benefited and comparatively few Americans engaged in business of exporting and importing will reap the reward.

A few days ago Secretary of Agriculture Wallace, in a radio broadcast, criticized our failure to follow in the footsteps of England in dealing with international trade. England, and those who operate her governmental machinery, were pointed out as having laid down certain principles which our Government and our people could well afford to emulate.

The fact is that England after 100 years of free trade has now adopted an intra-Empire protective tariff, and we all know how far England in her progress toward recovery has forged ahead of America.

On that very day, a matter of hours before the radio talk of Secretary Wallace, England, to protect the employment opportunities of her own people and the markets of the British Commonwealth of Nations from the ruthless, cutthroat competition of the low wage paid and low living standards of the workers of Japan, had publicly served

notice on Japan of the possible severance of trade relations between the Empire on one hand and Japan on the other.

How different, Mr. President, is the attitude of Great Britain as compared with the attitude of the authorities in the United States of America, when the same power under the Industrial Recovery Act is reposed in the Chief Executive of this Nation.

England, the Government which Secretary Wallace asks that we emulate, faced with increasing unemployment among her workers, due to underselling on the part of the Japanese, not only served notice of substantially increased import duties on imports from Japan, but, in reality, served notice of an embargo against the products of Japan.

However, though Congress granted a similar embargo power to the President in 1933, the President did not take advantage of protecting the industries of America which are languishing today. For instance, the match industry is practically out of commission, having only a fraction of the market here in America. This situation was recognized by Congress when, in the Revenue Act of 1934, it increased the excise tax on colored-stem matches; but the increase was not sufficient to bar all the cheap foreign competition in this field.

Japan, because of the cheap wage paid the Japanese workmen, can sell matches at 30 percent less than the cost of the production of the American match. The same is true, Mr. President, of the china and the pottery industries. The same is also true of some portions of the fish industry, particularly on the Pacific coast, involving the great State of Washington, the great State of Oregon, and the great State of California.

Is it possible that any Member of this body who believes that we should reduce or eliminate our tariff duties on the more than 300 industries, articles, or commodities which I enumerated on May 1 will contend that such action would be in line with the administration's understanding of the meaning of the word "recovery"?

Mr. President, the sincerity of those who cry "recovery", while urging upon the Congress the enactment of one-man tariff dictatorship, can well be questioned.

Our recovery has been seriously retarded by the insistence of the administration that we legislate at the present moment on tariff changes.

Indeed, evidence is piling up that the tariff program and other blunders are delaying recovery in this country to such an extent that we are falling far behind other leading countries in our efforts at recovery from the world-wide, war-caused depression.

As evidence of this fact, Mr. President, I present a table issued by the League of Nations on this subject for the year ending 1933, and ask that it be considered as a part of my remarks at this point.

The PRESIDING OFFICER (Mr. BONE in the chair). Without objection, it is so ordered.

The table referred to is as follows:

Indices of industrial production (1928=100)—Issued by League of Nations

	United States	Canada	England	France	Germany	Japan	Sweden	Russia
January 1933	59	52	90	78	62	117	83	212
December 1933	68	72	97	83	72	[1] 139	95	[2] 237
Gain	9	20	7	5	10	22	12	25

[1] November. [2] October.

Mr. HATFIELD. It is interesting to note that at the end of the year 1933 the United States had the lowest index of industrial production, that is, it was the greatest distance below the normal of 1928 production of any of the countries listed above.

During the year 1933 the United States made a gain of 9 points, and, with the exception of England and France, this was the lowest gain in industrial production of any of the countries listed. England's small gain of 7 points is due to the fact that she did not have very far to go to reach normal, as she started the year with an index of 90.

Mr. President, I think we are pretty well agreed that relief must be provided and is of first importance, although we may differ somewhat on details. But I desire to stress the thought that recovery should then command our attention, with only incidental consideration for socialistic reform, which can better be attended to when we are well on our way back to reasonable prosperity. Not only are we hounded to pass reform measures, but now we are thrown headlong into a partisan political controversy as old as the life of the Nation—the tariff question. Surely, there can be but little merit, either from the standpoint of relief, recovery, or reform in bringing into question constitutional government, delegation of legislative functions, abolition of congressional duties, revision of tariff procedure, and taxation. We are here called upon—in the midst of other pressing duties—to pass upon the merits of (1) free trade, (2) tariff for revenue only, (3) competitive tariffs, and (4) reciprocal tariffs versus the long-established protective-tariff policy of this country. It is neither right nor wise in this hour of our country's peril to demand it.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. LONG. I desire to show, although very few of my Democratic colleagues are here, how consistent the RECORD shows what my position was. I think I have stated on every possible occasion in the Senate that I was a tariff Democrat, in favor of tariffs; and yet when we had before us in 1931 the tariff bill on which we voted on the 1st day of April, 1932, introduced for the purpose of repealing the flexible provision of the Tariff Act, I was one of the Democrats who, while a tariff man, voted to repeal it on the ground that it lodged in the Executive tariff-making power, which ought to be retained by Congress. My vote is shown on page 7291 of the RECORD. We had speeches made on the subject at that time by illustrious Senators. I quote a sentence from one of our theme speeches, made by one of the Democratic Senators from the State of Texas, who said:

> This is the most outrageous doctrine that has ever been uttered during the course of the present debate.

We were all applauding that sentiment here, and we were all undertaking to wrench this terrible power from the President. This was known, and was pronounced by the Republicans to be a gesture of the Democratic Party; but it was explained in the debates at the time that it was desired to put the matter before the American people, that we should not go further, as the iniquitous thing then before Congress proposed, but that we should repeal what had already been done.

Here in the RECORD is my vote with the rest of them, all of us voting that we would not have this kind of thing.

All of us went before the people and said that we were going to repeal it. Every one of us did. If there is a single one who did not do it, I do not know who he is. Every one of them did it, unanimously. Here is the record of what we did, in which it is shown that I was standing here defending the faith of the party.

In the CONGRESSIONAL RECORD, on page 7291, appears the list of the distinguished and illustrious Democrats whom I followed. I followed their words, I followed their instructions, and I followed their votes. I went down the line with them. Now I call for my leaders; I call for the men who poured this inspiration into me in campaign after campaign.

Where is the leader?

Mr. HATFIELD. Will the Senator give the volume of the CONGRESSIONAL RECORD to which he just referred?

Mr. LONG. Yes. This is the RECORD of April 1, 1932, at page 7291.

We now come back for leaders, and where have the leaders gone?

The situation reminds me of a tombstone which was erected down in my country for a man who had died. Before his death he had instructed his wife that when he died she should put on his tombstone the inscription which he left for her. It consisted of a little verse which he had

written. So, in accordance with his instructions, there was engraved on the tombstone these words:

Remember, man, as you pass by,
So as you are, so once was I.
So as I am, so you must be.
Prepare to die and follow me!

The old woman put that on the tombstone, but she did not want to be bound by the injunction "to follow me"; so she put two little lines beneath it in her own behalf:

To follow you I'm not content,
Until I know which way you went.

[Laughter.]

Now, which way have my leaders gone, Mr. President? Where are they?

Mr. McKELLAR. Mr. President, may I answer the Senator from Louisiana? When this power was given the Republican President it was given to him for the purpose of raising the tariff duties, and we all know it. There is not any doubt about it. We all know exactly the purpose for which the power was given him. The power which is given the present President is to decrease tariff duties. That is what is troubling the Senator from Louisiana, who is a tariff advocate, and that is what is troubling the Senators on the other side.

Mr. FESS. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. FESS. Does the Senator from Tennessee interpret the present law to mean that the President cannot reduce the tariff duties?

Mr. McKELLAR. I am not interpreting the present law, and I have not been asked to do it; but I know that most of the Senators on the other side of the Chamber are for high tariffs, that they are in favor of making them as high as possible, and if they had the slightest idea that Franklin Roosevelt was going to raise tariff rates instead of lower them they would, every one of them, be in favor of this measure.

Mr. FESS. Oh, no; we would not.

Mr. VANDENBERG. Mr. President, will the Senator from West Virginia yield?

Mr. HATFIELD. I yield.

Mr. VANDENBERG. That was not the problem which was disturbing the Senator from Tennessee when the bill having to do with the flexible tariff provisions was before the Senate. It was not a question of whether the rates were going up or going down that was then disturbing the Senator from Tennessee.

Mr. McKELLAR. That is the only thing that disturbed me.

Mr. VANDENBERG. I have the floor for the moment.

Mr. McKELLAR. The Senator was referring to me and pointing at me, and I thought I might reply.

Mr. VANDENBERG. I have not finished, and I hope the Senator from Tennessee will get the full text before he preaches.

Mr. McKELLAR. I will preach with or without.

Mr. VANDENBERG. The Senator was not disturbed about whether rates were going up or going down, I repeat, but this is what the Senator was disturbed about; and I am quoting his very eloquent address on September 26, 1929:

The minute, Mr. President, you take from the people the right of their representatives to levy taxes and put that right in the hands of a man who can practically perpetuate himself in office for 8 years, you repeal the thirteenth amendment in effect, because we are all economic slaves, and the only difference is that we have a little hope in 8 years of removing our bonds, where under most forms of slavery that hope cannot be entertained.

Mr. President, so far as I was concerned, it seemed to me that, so long as the Congress had written a firm formula under which this power was to be used, it was not a delegation of the taxing power; but the Senator from Tennessee thought that even the limited flexing of the tariff under that rule was a delegation of the taxing power and with all the great vigor at his command he undertook to convince the Senate of the fact. He was not worrying about whether rates were going up or going down, so far as his argument was concerned; he was worrying about the fundamental question of the delegation of the taxing power; and the pending measure delegates twice as much, yea, 50 times as much taxing power as did that provision of the law to which he objected heretofore.

Mr. McKELLAR. Mr. President, the Senator from Michigan and others who believe as he does were perfectly willing—and voted that way when the occasion offered—to give the President the power when they thought their own President was going to raise the tariff rates. We all know that. Why try to dissemble and argue constitutional questions? It is a fact that they voted for that bill then because they thought their President would raise the tariff rates. Is there a Senator here who denies that?

Mr. HATFIELD. Oh, yes, there is; I deny it. The Senator from Tennessee is not fair.

Mr. LONG. Mr. President, will the Senator let me answer the Senator from Tennessee?

Mr. HATFIELD. The Senator from Tennessee is not fair.

Mr. McKELLAR. In what respect?

Mr. HATFIELD. Mr. President, I have the floor, and I say the Senator from Tennessee is not fair, and the statement he has made reflects upon a President who has passed into history and whose inclination upon the subject as was apparent, was toward lower rates than those found in the Smoot-Hawley tariff law. There is no one better informed upon the subject of the commitments and the convictions of President Hoover in that regard than is the senior Senator from Tennessee. I now yield to the Senator from Louisiana.

Mr. LONG. Mr. President, the Senator from Tennessee, though, has not answered the point that connects me. I am an injured, innocent person in this matter.

Mr. McKELLAR. I do not think anybody could do that. If anybody could stop the Senator from Louisiana, I do not know whom he could be.

Mr. LONG. The injury that my friend from Tennessee does me is that I came here a young man out of the country to follow him, and I did follow him and the other leaders on this side. My first vote——

Mr. McKELLAR. The Senator has fallen by the wayside so frequently lately that I cannot any longer find my follower.

Mr. LONG. No; the trouble is, Mr. President, that my leader is gone off after a false god, while I am still going down the line with my original convictions. I came here a tariff Democrat; everybody knew I was a tariff Democrat; and I said so when I came; yet when we had the bill up to repeal the flexible tariff provision, on the ground that it was abdicating the functions of Congress to the President of the United States, here is the vote of the Senator from Louisiana along with the Senator from Tennessee [Mr. McKELLAR], voting for the reason expressed, that it was an absolutely outrageous procedure to take the power out of the hands of Congress. I voted with my friend from Tennessee.

Mr. McKELLAR. Will the Senator yield?

Mr. LONG. I have not the floor.

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Tennessee?

Mr. HATFIELD. I yield.

Mr. McKELLAR. May I say to the Senator from Louisiana that is one of the very few times I have ever known him to be right.

Mr. LONG. Oh, no, Mr. President; the Senator from Tennessee always votes with me once on each question. The Senator from Tennessee is bound to be right half the time, because, as a rule, he votes on each question on both sides of the fence, and so the Senator from Tennessee can always claim that he is at least half right, because so long as I have observed my friend I am with him at least one time and against him at least one time on every question.

In this case my friend from Mississippi [Mr. HARRISON], I believe, offered the amendment, and here is the speech of the Senator from Tennessee saying that we were placing this matter before the country to show that the Democratic Party was for the repeal of this thing root and branch. Here I was, a tariff Democrat, standing up for the Constitution of the United States, sitting at the feet of the Senator from Tennessee and his allies, listening to the voice of free-

dom, inhaling the pure air of lawful government; and then I turn around, after having undertaken to imbibe that spirit, and find that my leader has gone, and that my leader is denouncing me here because I do not go with him. Where is he going next week? Mr. President, it reminds me of a man trying to find the North Pole. He does not know whether he is within 6 miles of it or not unless he meets somebody coming back from it. I have to meet the Senator from Tennessee coming back in order to know whether I am on the right road. Whenever I see the Senator coming back from where he was last week, I know I have not changed.

The Senator was not alone in this matter. I have just read from the declarations of our President, of the other Senator from Tennessee at that time, who is now Secretary of State, and now I am here, a tariff Democrat, voting as I always voted—voting with my party that Congress should legislate on the revenue. Here is my vote; here it is, the same as when I started, and here is the declaration of my party that they would repeal this thing; here is the declaration of our candidate, here is the declaration of our Vice President, and here is the declaration of our Secretary of State.

Shall one who has voted in this way and who has made such a promise to come here now and not only change his position, with that promise staring him in the face, but to do three times the evil that has already been done under the law we promised to repeal? I think it is just a question of time when my friend from Tennessee is going to get off and think this thing over, and when he does his conscience is going to govern him, because we all know that the Senator has a conscience. [Laughter.]

Mr. FESS. Mr. President——

Mr. HATFIELD. I yield to the Senator from Ohio.

Mr. FESS. The Senator from West Virginia replied to what I think was a very unfortunate statement of the Senator from Tennessee [Mr. McKELLAR] when he asserted that the only interest we on this side could have in the flexible-tariff authority given to the Executive was to increase tariff rates. I have an authoritative statement here that I want to put in the RECORD, if the Senator from West Virginia will permit me to do so.

Mr. HATFIELD. I shall be very glad to yield for that purpose.

Mr. FESS. I read from the veto message of President Hoover on House bill 6662, entitled "An act to amend the tariff act of 1930, and for other purposes", a bill for which the Senator from Tennessee voted and which was calculated to secure a continuance of logrolling in this body, a practice which we were trying to get rid of when the flexible-tariff provisions were written into the law. This will be an answer to the Senator's statement that we had no interest except an increased tariff rate, and, if there were no opportunity to bring that about, we would never vote for it.

Mr. McKELLAR. Before the Senator proceeds to read the quotation will he yield to me for a moment?

Mr. FESS. I will yield in a few moments. I quote as follows:

> The broad purpose of the present form of Executive action upon the flexible provision is promptly to remedy inequities and injustices in the tariff as they may be discovered; to prevent any tariff system being frozen upon the Nation despite economic shifts; and by providing this flexibility to meet changing economic conditions greatly to lessen the necessity for periodic general revision of the tariff, with its disturbance to economic life and its orgy of politics and logrolling. The flexible provision has, since the act of 1930, proved its high usefulness in these particulars. The Commission has completed or has in progress investigations covering 291 different articles. Of those which come under the flexible provisions, the recommendations were for no change in about 54 percent of the cases, increases in 16 percent, and decreases in 30 percent, which were placed in effect within a few days.

Instead of the charge made by the Senator from Tennessee being true that the flexible provision was designed to increase tariff rates, the vast majority of the actions of the Chief Executive were in the direction of decreasing rates under the flexible tariff provision. Let that be an answer to the Senator from Tennessee.

Mr. HATFIELD. That was a strong reason why the then President of the United States insisted upon the flexible-tariff provision's going into the Smoot-Hawley Tariff Act.

Mr. FESS. That was the main object.

Mr. McKELLAR. Mr. President, will the Senator from West Virginia yield to me to enable me to ask the Senator from Ohio a question?

Mr. HATFIELD. I yield.

Mr. McKELLAR. I am going to ask the Senator from Ohio, does he believe in reducing the tariff rates generally?

Mr. FESS. Why, certainly.

Mr. McKELLAR. The Senator is not a tariff——

Mr. FESS. Mr. President, if the Senator from West Virginia will permit me——

Mr. HATFIELD. I yield.

Mr. FESS. I believe in the tariff philosophy that was suggested by James A. Garfield many years ago, and in that system of protection which ultimately leads to the nearest possible free trade. The Senator from Tennessee knows that in the evolution of economic forces, no matter how high rates may be at one time or how low they may be at another time, if they are too high when we have fully developed economic efficiency in production, it is necessary then to reduce them. That is the philosophy of the protective system.

Mr. McKELLAR. I am not now talking about the philosophy; I am talking about certain facts. Is it not true that the Senator from Ohio has voted for every high tariff bill that has been passed since he has been in either House of Congress?

Mr. FESS. And in each successive case the tariff bill provided lower rates than the preceding tariff bill.

Mr. McKELLAR. The Senator voted for the higher tariff rates.

Mr. FESS. I voted for a protective tariff as against a competitive tariff.

Mr. McKELLAR. And he has voted against every low tariff and every Democratic tariff bill since he has been a Member of Congress.

Mr. FESS. Certainly; and I would vote against any free-trade tariff bill or tariff-for-revenue-only bill.

Mr. LONG. Mr. President, will the Senator from West Virginia yield further?

The PRESIDING OFFICER. Does the Senator from West Virginia yield further to the Senator from Louisiana?

Mr. HATFIELD. I am glad to yield.

Mr. LONG. The point to which I now want to get the Senator from Tennessee [Mr. McKELLAR] to bring his mind back is this. I am going to read from the Democratic platform of 1932. The tariff plank read this way:

> We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference.

That is the Democratic platform which I helped to write and which the Senator from Virginia [Mr. GLASS] helped to write.

Mr. HATFIELD. Of 1932?

Mr. LONG. Yes; the year of our Lord 1932.

Mr. McKELLAR. Does the Senator from Louisiana believe in that provision of the platform?

Mr. LONG. Yes.

Mr. McKELLAR. Then, why does not the Senator vote for it? Why is he on the other side? He is just like every other Senator from Louisiana in the last half century. Because sugar is produced in his State he is voting for every high-tariff bill the Republicans bring forward.

Mr. LONG. There is no one so blind as the man who will not see. The Senator has made a charge against me——

Mr. McKELLAR. Not only against the Senator, but all other Senators from Louisiana since I have been a Member of Congress. The Senator from Louisiana to whom I am addressing these remarks, and all other Senators from Louisiana, have uniformly lined up for a high tariff every time the Republican Party has introduced a high-tariff bill. The Senator has fought the Democratic Party consistently ever

since he has been here because he is in favor of a high tariff for the purpose of protecting his own little pet industry in Louisiana. Those are the facts, and everybody knows them to be the facts. Why try to talk around them by saying there is some constitutional question involved? The Senator does not pay a particle of attention to the Constitution, and the Republicans do not pay a particle of attention to the Constitution when it is in their way.

Mr. LONG. Here is where my friend from Tennessee needs to go back to school. I know he is going to rise within the next 5 minutes and beg the pardon of the Senate and of myself for what he just said. Former Senators Ransdell and Broussard both voted for the flexible-tariff provision in the Smoot-Hawley tariff bill.

Mr. McKELLAR. Just like all the Republicans did.

Mr. LONG. I went before the people of Louisiana and defeated both of those gentlemen.

Mr. McKELLAR. But it is a fact the Senator did not defeat them on the tariff issue. If he had made that an issue, he would not have defeated them and he would not be here now.

Mr. LONG. Oh, yes. I did not defeat them on the tariff issue as such, but I did make it a point that in voting to abdicate the function of Congress and place it in the hands of the President, those two gentlemen had shown the people of Louisiana that they were not competent to represent them. I came here to fill the seat of Senator Ransdell. Senator Ransdell voted for the flexible provision in the tariff bill so the President and the Tariff Commission could fix the rates. I came here, and what was the first thing I did? Did I do what the Senator from Tennessee said? No; I voted to undo what Ransdell and Broussard and every other Louisiana Senator had done.

Mr. McKELLAR. Yes; the Senator did that when he first came here, but as soon as he felt the ground under his feet he voted against the Democrats, went over on the other side and voted with the Republicans, and he has been with them ever since. [Laughter.]

Mr. LONG. No. The Senator talks one way, but he goes another way, as I have said.

Mr. McKELLAR. Oh, no. I am here on the Democratic side and everybody knows it. I have stood with the party all my life, and I am going to stand with it all the remainder of my life. I am not like the Senator from Louisiana, jumping up on one side at one time and on the other side at another time.

Mr. LONG. Oh, no; the Senator from Tennessee always has the Democratic flag up. I admit that. But here is what the Democratic Party in its platform said:

> We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference.

That is the platform of the Democratic Party, and here is what Mr. Franklin D. Roosevelt said on July 30, 1932, and which he is absolutely dishonoring this afternoon:

> It is a difficult and highly technical matter, but a commission of experts can be trusted to find the facts, and the facts should be left to speak for themselves.

And then the platform said:

> We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference.

Now, get the words of the Democratic platform again:

> We believe that a party platform is a covenant with the people.

Can anyone imagine a thing like that? [Laughter.] Yet the Senator from Tennessee says he is a good Democrat.

Mr. McKELLAR. Of course, we can imagine a thing just like that. The Senator from Louisiana and Republican Senators are opposed to President Roosevelt having this power because they are afraid he is going to reduce tariff duties. The Senator from Louisiana is particularly afraid because his little pet industry of sugar down in Louisiana will have a lowered tariff rate, perhaps. That is the only thing that hurts or worries the Senator from Louisiana. If it were not for sugar he would probably be standing just like he stood when he first came here, on the Democratic side. But sugar! Sugar! Just mention sugar to anybody from Louisiana, and they want to be on the Republican side and not on the Democratic side. [Laughter.]

Mr. HATFIELD. May I ask the Senator from Tennessee a question? Would the Senator from Tennessee be willing to give to a Republican President the same power he is seeking to have given to a Democratic President?

Mr. McKELLAR. If he were one like President Hoover, I am frank to say to the Senator from West Virginia, I would not be willing. I would not vote for it under any such circumstances.

Mr. HATFIELD. Can the Senator from Tennessee suggest any Republican President to whom he would be willing to give that power?

Mr. McKELLAR. Oh, yes. If HIRAM JOHNSON were President, if GEORGE W. NORRIS were President, if WILLIAM E. BORAH were President, or even if ARTHUR H. VANDENBERG were President, I would be glad to give the power to them; but I would not think of doing it for the rank and file on the Republican side of the Chamber. [Laughter.]

Mr. LONG. Mr. President, will the Senator from West Virginia permit me to finish what I was endeavoring to state when the Senator from Tennessee interrupted me?

Mr. HATFIELD. Yes; I am very glad to yield further to the Senator from Louisiana.

Mr. LONG. Here is what the Democratic Party said. I am reading this only because I want the Senator from Tennessee to understand that it is a promise of the party—the Democratic Party—to tell the truth. The Senator from Tennessee may not believe that it is in the platform, but the party did say that it ought to keep its word. It said that. Whether the Senator from Tennessee knows it or not, it is Democratic philosophy, according to the platform, to do what we tell the people we are going to do. There are a lot of folks who do not believe in that principle. However, here is what the Democratic Party said in its platform in 1932:

> We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power and that the people are entitled to know—

Just think of that!

> The people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

And then the platform went on to say:

> We advocate a competitive tariff for revenue with a fact-finding tariff commission free from Executive interference.

And my friend from Tennessee still thinks he is a Democrat. [Laughter.] There is no way to convince him otherwise. He said if I was a good Democrat I would be over here like I was the last time. He was with me on this very issue then. I was with him in urging that the tariff-making power ought not to be placed in the hands of the President of the United States. I was for protecting sugar, just as he charges. I was a tariff Democrat, just as he charges, just the kind of a Democrat that will keep the party alive.

Mr. McKELLAR. I did not know there were any such.

Mr. LONG. Oh, yes; Henry Jackson, from Tennessee, was one of the best we ever had.

Mr. HATFIELD. Mr. President, may I ask the Senator from Louisiana a question at that point?

Mr. LONG. The Senator from West Virginia has the floor.

Mr. HATFIELD. Is it not a fact that every Democratic Senator, representing a State that is Democratic, voted, as is disclosed by the RECORD, for protection for those industries in his own State and for those commodities produced within the confines of his State?

Mr. LONG. That is true in every case with the exception of one Senator, and I have always wondered just what was wrong with him. [Laughter.] Every Democrat here, as will be disclosed by the RECORD, voted to protect the industries in his own State, with the exception of the Senator from South Carolina [Mr. SMITH]. He is the only man who voted otherwise. He voted for the immigration law, which would have kept cheap labor from coming in here.

Mr. SMITH. And to keep some others from coming into the country as well.

Mr. LONG. But all Democrats are in favor of protecting the products of their own States. As an example, the Senator from Texas [Mr. CONNALLY] and I voted to protect oil. We voted to protect the copper of Arizona. Why? Because we needed the copper votes to get a tariff on oil and they needed the oil votes to get a tariff on copper. [Laughter.] There is the hocus-pocus about this thing. That is the way it was done. I am perfectly willing to stand here and tell the Senate that I voted for the other man's tariff because we needed his vote to get the tariff on our products.

Mr. McKELLAR. Sugar! [Laughter.]

Mr. LONG. Yes, sugar. What could be more noble than a tariff on sugar? [Laughter.]

Mr. ASHURST. Mr. President, will the Senator from West Virginia yield to me?

Mr. HATFIELD. Certainly.

Mr. ASHURST. The Senator from Louisiana is making the most powerful argument for the pending bill that could be made. Congress, when it makes a tariff bill, almost necessarily does so on the log-rolling principle. The pending measure provides a scientific way to handle tariffs. That is why I am in favor of the pending bill.

Mr. LONG. The Senator is probably for this bill.

Mr. ASHURST. Mr. President, I know, and the Senate knows, that Congress will not grant a proper tariff on copper. I know, and the Senate knows, that when the keen mind of the President and his tariff experts consider copper, they will increase the tariff on copper.

Mr. LONG. That is not how we got the tariff on copper. We had a Democratic President here, and he did not give us a tariff on copper. I will tell you how we got the tariff on copper last time. We got it because several other Senators and myself went around here swapping enough votes to get it. [Laughter.] That is how we got the tariff on copper. We could not get the tariff with oil and copper and coal by themselves, so we put in lumber in order to get a few more votes. [Laughter.] There is no need of whipping the devil around the stump.

Mr. McKELLAR. That is the best argument the Senator has made for the passage of this bill.

Mr. LONG. Mr. President, we have all realized that we have to give the other man protection if we claim it for ourselves. In other words, it is the spirit of the Bible:

> Whatsoever ye would that men should do to you, do ye even so to them.

Why, certainly. It was the spirit of the Scripture that caused a man to give his brother a tariff, particularly when he needed his brother's vote to get the tariff for himself. [Laughter.] It makes the man feel better; but we went before the people with all that known, did we not? We went before the people and told them what we were going to do, and we said, "The people are entitled to know in plain words what it is that they are contracting for"; and we said to them, "We will have a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference." That is what we told them; and we told them we were truthful people, and that that was what we were going to do.

Mr. ROBINSON of Arkansas. Mr. President, does the Senator from Louisiana think that is applicable to the subject matter of this bill? Does not the Senator understand fully that the basis of that clause, "free from Executive interference", was the allegation that Republican Presidents had been in the habit of attempting to control or influence the action of the Tariff Commission?

This bill does not relate to the proceedings of the Tariff Commission under the flexible provision. It relates to an effort to restore and build up the foreign commerce of the United States. It is not an interference with any action of the Tariff Commission and cannot fairly be said to be. I merely ask leave to point that out to the Senator.

Mr. LONG. The Senator unfortunately runs into the declaration of the President of the United States that in making reciprocal tariff agreements this would apply. Unfortunately, the Senator is answered by the party platform again, because Mr. Cordell Hull and Mr. Franklin D. Roosevelt, in interpreting this very platform of the party, declared to the American people that it meant just what I should have understood it to mean—that reciprocal treaties or anything else would be gaged on the report of a fact-finding commission, based upon the difference in cost of producing the particular product in the foreign country and the cost of producing it in this country. That was the declaration.

Mr. HATFIELD. Mr. President, the only evidence that has been adduced respecting the interference of a President, either in the adjustment of tariff rates or otherwise, was given by the Chairman of the Tariff Commission, with failure on the part of the Finance Committee to invite any other members of the Tariff Commission before it to inquire of them whether or not the chairman of the Tariff Commission was stating a fact. I think it was very unfair of the Finance Committee not to give the other members of the Tariff Commission an opportunity to be heard; but the fact remains that the chairman of the Tariff Commission who gave support to the thought that the Chief Executive in the past had interfered with tariff rates still remains the chairman of the Tariff Commission under a Democratic administration.

Mr. ROBINSON of Arkansas. Mr. President——

Mr. HATFIELD. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Does the Senator contend that the exercise of the power under this bill by the Executive, if the bill should pass, would interfere with the proceedings of the Tariff Commission?

Mr. HATFIELD. I do not understand that there is any provision in the bill requiring the President to take any advice upon the questions which may be involved, but it is understood, I think, that an organization will be created to function under the bill at the dictum of the President, who will hold in his power the life and death of industry, as well as the work opportunities of American labor.

Mr. ROBINSON of Arkansas. I do not quite understand that answer. My question was directed to the point that the Senator from West Virginia was making, or attempting to make, that the failure to take the advice of the Tariff Commission as to the passage of this measure was an interference on the part of the Executive with the functions of the Tariff Commission.

Mr. HATFIELD. No. I was referring to the Tariff Commission under the existing law.

Mr. ROBINSON of Arkansas. Of course, the Senator understands that under the bill, and probably under any practice that will prevail, the Executive will avail himself of the information which the Tariff Commission can supply.

Mr. HATFIELD. That is true.

Since, however, the party in power has chosen to lay aside not only relief and recovery measures but even measures for the reform of those abuses which we all alike deplore and are prepared to remedy, and has decided to force a political battle on the whole tariff issue, we must accept the issue. It is my forecast that before the national elections in November enough of the Democratic Members of the Senate, not tied down by any gag rules, will have joined with the Republicans either so to modify the pending tariff bill as to save the Constitution, preserve the constitutional rights and duties of Congress, and protect American agriculture, labor, and industry, or to defeat the measure entirely.

Mr. LONG. Mr. President, a moment ago the Senator asked me a question, and I have been able to get the RECORD so as to give an answer.

Mr. HATFIELD. I yield to the Senator.

Mr. LONG. I will ask one of the pages to find the Senator from Tennessee [Mr. McKELLAR]. I think he went to answer a telephone call in the cloakroom.

Mr. McKELLAR entered the Chamber.

Mr. LONG. Since the Senator from Tennessee has talked about the tariff Democrats from Louisiana, I want to read the illuminating record on the tariff question of my friend,

the senior Senator from the great and sovereign State of Tennessee. I particularly love that State. I lived there for many years.

Mr. McKELLAR. The Senator is going to get some real Democratic doctrine now.

Mr. LONG. Yes; some real, genuine Democratic doctrine.

The Senator from Tennessee [Mr. McKELLAR] voted as follows:

On October 24, 1929, he voted for Mr. Blaine's amendment for a 5½-cent rate on casein. The House rate was 2½ cents.

On October 28, 1929, he voted for Mr. GOLDSBOROUGH'S amendment to increase the duty on olive oil in containers. Tennessee, as you know, raises vegetable oil. That was patriotic Democratic doctrine.

Mr. McKELLAR. What vegetable oils do we raise?

Mr. LONG. Cottonseed.

Mr. McKELLAR. Oh, yes.

Mr. LONG. You see, the Senator is going to get wise on this thing before we get through with it. Just wait until we get through. The Senator from Tennessee is going to vote with us before we get through.

Mr. McKELLAR. Mr. President, I cannot let that statement go unchallenged. The Senator from Louisiana will have to change his methods of voting a long, long way before I ever vote with him, certainly on tariff issues.

Mr. LONG. As long as "the light holds out to burn, the vilest sinner may return"; but the Senator from Tennessee does not have to return in this case. He has voted against the flexible provision of the tariff with me, and he has voted for these tariffs with me, too. Wait until I get through with him.

On January 20, 1930, the Senator from Tennessee [Mr. McKELLAR] voted for the committee amendment for higher rates on basic paper. They have a paper company over in Memphis.

Mr. McKELLAR. I never heard of it.

Mr. LONG. I used to work for it—the Palo Paper Co. [Laughter.]

Mr. McKELLAR. Did the Senator do any real work?

Mr. LONG. Not much; no more than I had to. [Laughter.]

On January 24, 1930, the Senator from Tennessee voted for Mr. Oddie's first amendment to increase the duty on hides. Now, imagine that! That was a good vote, too. I would have voted that way if I had been here, particularly if we had had sugar in the bill.

Mr. McKELLAR. The Senator does not mean to say that it takes sugar in a bill to make him vote for it, does it?

Mr. LONG. Oh, no; but we built up a case, you know. It is well to build up a few friends on this tariff question, because you are liable to need them the next day. That is why enough votes were obtained to put this tariff on the hides that go into the shoes that the poor little children are wearing in this country today; and I would have voted for it if I had been here. It was a good vote.

On January 28, 1930, the Senator from Tennessee voted for the amendment of Mr. THOMAS of Idaho to increase the duty on vegetable oils. Again cottonseed comes in there.

On February 18, 1930, he voted for Mr. PITTMAN'S amendment placing a duty on silver ores. All right. I did not know that Tennessee produced any silver. Probably that was one of the kind of votes I would have cast.

On February 18, 1930, he voted for Mr. CONNALLY'S amendment increasing the duty on cattle.

Mr. HATFIELD. That was a very high duty; was it not?

Mr. LONG. Yes; a very high duty. Now, imagine that! When a man buys a beefsteak today he owes it to the vote of the Senator from Tennessee that that beefsteak costs such a high price. He put that tariff on beef. Imagine!

Let us see, now. I will read the rest of this record.

On March 3, 1930, the Senator from Tennessee voted for Mr. Shortridge's amendment for a duty on long-staple cotton. The Senator from Mississippi [Mr. HARRISON] voted for that, too. They voted for it because cotton is a southern product.

Mr. HATFIELD. What became of the Senator from Tennessee?

Mr. LONG. He voted for that. I am reading the record of the Senator from Tennessee.

On March 13, 1930, the Senator from Tennessee voted for concurrence in the amendment placing a duty on long-staple cotton.

On March 14, 1930, he voted for an amendment to increase the duty on hides. They raised it again, and he still went along.

On March 22, 1930, he voted for the amendment to place duties on basic and sensitized paper. They manufacture those over in the city of Memphis.

The Senator also voted against a number of decreases. Proposals were made to decrease some tariffs, and a number of Democratic Senators decided that they would line up on the Democratic doctrine to stand with the people, and the Senator from Tennessee stood by the people. I am one man who defends the record of the Senator from Tennessee when he does not defend it himself. I am one of the men who speak a good word for him when he is here trying to undo his own votes.

He has a friend in me, the kind of a friend that a man is proud of when he gets over these days of hectic politics, and can look back and see, when he was trying to do himself wrong, that his friends stood by him.

Mr. McKELLAR. Mr. President, if the Senator will yield, when that time comes I have no doubt I shall have forgotten all the mistakes the Senator from Louisiana has made while he has been in the Congress, and I shall be very forgiving.

Mr. LONG. That is very kind of the Senator; but one good thing about it is that he may not have so much to forgive when I read about 14 more votes he cast here.

On October 28, 1929, the Senator from Tennessee voted against Mr. WAGNER'S amendment to reduce the duty on olive oil in containers. Why? Just reason these votes out. Here is the Senator from New York [Mr. WAGNER], who probably will vote for a tariff on most New York products most of the time. Cottonseed oil was not raised in his part of the country, so he voted to reduce the rate on olive oil. The Senator from Tennessee deserted his party in that hour of need, except for the fact that the party was standing right. I think the party was going along with him at that time; so the Senator voted democratically that time, I guess.

November 5, 1929, he voted against the committee amendment to reduce the duty on china clay. That is pottery. Is any pottery produced in Tennessee? I do not know why the Senator voted that way. I believe the Senator was voting on principle. I have done the Senator an injustice; I thought he was voting for this tariff to get protection for a product of Tennessee. Now I know he was voting for protection as a matter of principle, and likely as a matter of party duty.

January 27, 1930, he voted against Mr. WHEELER'S amendment to reduce the duty on filaments and yarns of rayon.

On January 27, 1930, he voted against Mr. Simmons' amendment to reduce the minimum duty on filaments and yarns of rayon.

On January 31, 1930, he voted against Mr. McMaster's amendment to strike out the duty on cement.

Imagine that!

Mr. HATFIELD. Cement?

Mr. LONG. Cement. Can Senators believe that? I was down in Louisiana at that time, and that was one occasion when I was fighting a tariff. I had a big road-building program on down there, and we were buying millions of barrels of cement, spending $75,000,000 laying concrete roads, and I knew that if that tariff went on the cement was going to cost us a great deal more money, $2,000 more per mile for the roads. Because of this vote of the Senator from Tennessee, every mile of that road cost us $2,000 more.

Cement! It is all right; I do not blame the Senator. I disagreed with him at the time, but now I have been converted. I believe he was right. I think that vote was right. [Laughter.]

Let us go a little further. On March 13, 1930, he voted against the amendment to reduce the duty on mustard seed. Why was that? They raise mustard and they raise turnips in Tennessee. Did the Senator from Tennessee want them

sending over to Europe or down to Mexico to get greens to make pot liquor out of when they could get them right there in Tennessee? Not on your life. [Laughter.]

On March 13, 1930, the Senator voted against the amendment to reduce the minimum rate on rayon filaments and yarns.

On March 13, 1930, he voted the same way on the same question.

On March 15, 1930, the Senator voted against the amendment to reduce the duty on hides.

On March 15, 1930, he voted against the second amendment to reduce the duty on hides.

On March 17, 1930, he voted against concurring in the amendment to eliminate the countervailing duty on coal.

Think of that! Coal! Every little child that has to get up in the morning and kindles the fire in order to keep itself warm, every poor man, woman, and child in the country who sits in front of a coal fire has to remember the vote of the Senator from Tennessee. [Laughter.] Coal! Coal! Do they mine any coal in Tennessee? I wonder.

On March 19, 1930, the Senator voted against the amendment for free cement for public use. Listen to this, Senators. Here is the dramatic climax of a marvelous accomplishment. [Laughter.] The Senator voted against the amendment for free cement for public use. He even voted that the United States Government and the State of Louisiana had to pay a tariff on cement. There we were in Louisiana, when that bill to place a tariff on cement was brought in, paying $2,000 more a mile to build concrete roads in that State; and incidentally we have the best road system in the world down there, although some gentlemen here may not know that. There we were appealing to the Congress not to tax the State, and here the Senator from Tennessee leaped over and voted to put a tax of $2,000 more a mile, in the form of a tariff on cement, on every mile of road we were building.

Why was that? I do not know whether cement is manufactured in Tennessee or not. It is made all around there. But whether it is made in Tennessee or not, the Senator from Tennessee could not have expected to get votes for tariffs on the products of his State, probably without having followed the Golden Rule that is given in the Bible, to do for the other man what you ask him to do for you.

Here we are trying to get the Senator to keep only one more promise of the party; that is, that you shall regard what you promised as an obligation and having promised the people something, that you will not go back on it.

Now I show the Senator how I have been with him. I show the Democrats how I have been with them. I read the logic, I read the philosophy, of all the gentlemen on this side of the aisle. I read the promises of the party, I read the platform declaration of the President of the United States, I read what was promised by the Secretary of State, I read the Constitution, I cite them the vote I cast here with them when I came here; but it is as sounding brass and a tinkling cymbal to some of my friends.

Mr. McKELLAR. Mr. President, the Senator doth protest too much.

Mr. HATFIELD. Mr. President, I think I shall have to hurry along now. [Laughter.]

The tariff was not the cause of and its change is not the cure for the depression. The only possible reason for bringing the subject up at this time would be the false theory that the tariff was the cause of the depression. I repeat that statement, the tariff was not the cause of and its change is not the cure for the depression. The figures and facts I am giving are important, and I trust that those who are honoring me with their presence will listen, for in this is a great lesson, one, in my judgment, which has not been brought home to the Executive department of the Government.

First, we are told by the administration that imports declined from $4,338,572,000 in 1929, the year before the passage of the Tariff Act of 1930, to $1,423,467,000 in 1933, a decrease of $2,915,105,000, or 67 percent. These figures are presumably correct, since they are the records published by the Tariff Commission. But did it ever occur to the administration to ask whether the decline was "in the value of goods subject to tariff" or "in those on the free list"?

The answer is very important. The Tariff Commission, which, accordding to its Chairman, is a working tool of the President and not of the Congress, has published reports showing that dollar value of duty free imports has declined from $2,880,128,000 in 1929 to $901,782,000 in 1933, a decrease of $1,978,346,000, or 68.7 percent, while commodities subject to duty declined in dollar value from $1,458,444,000 to $521,685,000, a decrease of $936,759,000, or 64.2 percent.

In other words, the decline in dollar value of imports on the free list was more than double the decline in dollar value of dutiable goods, and the percentage decline for the free list was 68.7 percent, while for those on the dutiable list it was 64.2 percent.

At this point I insert a table giving value of imports year by year, of imports dutiable, and those free from duty, so that there can be no further dispute on this point.

Dollar value of imports into the United States, "dutiable" and "free from duty", 1929–33

Year	Total	Free from duty	Dutiable
1929	$4,338,572,000	$2,880,128,000	$1,458,444,000
1930	3,114,077,000	2,081,132,000	1,032,954,000
1931	2,088,455,000	1,391,693,000	696,762,000
1932	1,325,093,000	885,536,000	439,557,000
1933	1,423,467,000	901,782,000	521,685,000

Mr. President, it should be clear to everyone who studies this table that the decline in imports cannot be traced "to high or low duties" or "to no duties." All declined together, but the decline of the free-list articles was the greater because the declines in prices of agricultural and raw materials from the tropics were greater than in prices of certain dutiable manufactured goods from Europe.

The decline in prices was principally responsible for the decline in dollar value of imports. During the three pre-war years, 1911, 1912, and 1913, imports for consumption were valued at $1,645,119,000, and, using 1926 as a basic index of 100, the wholesale price index for all American commodities was 67.9. Now we find that the average annual dollar value of imports for consumption for the three depression years, 1931, 1932, and 1933, was $1,612,338,000, and again the wholesale price index was 67.9. Thus prices for the 3 years just past have averaged exactly the same as for the last 3 pre-war years, and imports, by dollar value, were only $32,781,000 less per year, or scarcely 2 percent under the earlier period.

In other words, there is almost a parity of imports and exports between the pre-war period and the post-war depression period beginning the first of the year 1931 and ending with 1933.

Furthermore, customs duties collected in the pre-war period averaged $308,810,000 a year, and during the last 3-year period, they averaged $300,155,000 a year—a decrease of only $8,655,000, or 2.7 percent.

Mr. President, how about the fabulous value of imports in the war period, 1916 to 1920? The average annual dollar value for the 5-year period was $3,430,788,000, but the wholesale price index for all commodities for the 5-year period was 125.5. Reduced to the price level of 1931, 1932, and 1933 the average annual dollar value of imports for the war period would have been only $1,856,182,000, which should be compared with our average of $1,612,338,000 during the last 3 years. In other words, 86.9 percent of the greater dollar value of imports during the war period was due to unit prices, and only 13.1 percent was due to greater volume. And be it remembered that even this small increase in volume was due to the imports of goods for processing for reexportation on account of the war, such as the grinding of wheat and its reexportation.

In order that this matter may be removed from further controversy, I have prepared the representative figures:

Period	Dollar value of imports for consumption	Average wholesale price index (1926=100)
1911–13	$1,645,119,000	67.9
1916–20	3,430,788,000	125.5
1931–33	1,612,338,000	67.0

The figures which I have submitted show that 86.9 percent of the increase in dollar value of imports for the war period over the pre-war period was due to price increase, and only 13.1 percent was due to volume of imports. The decline to the depression period, 1931, 1932, and 1933, from an average annual $3,430,788,000 to an average annual of $1,612,338,000, was accompanied by a decline in prices of from 125.5 to 67.9—using the Government wholesale-price index of 1926 as 100. In other words, our imports for the last 3 years are only 2 percent below the imports for the last 3 pre-war years when prices were the same. These figures permit of only one conclusion, and that is if we want a greater dollar value of imports for any reason, the problem is one of price levels and not of tariffs. Put prices up 50 percent and we shall put up the dollar value of imports 50 percent. But all of us know how the administration has failed to do that.

The London Conference had for its purpose, at least in part, this accomplishment, but it failed to accomplish anything.

That no general tariff changes are needed is further shown by the figures already cited, which show that the decline in dollar value of goods on the free list has been greater than those subject to duty because unit prices have gone lower for free-list articles, which are more generally raw materials, than for dutiable articles, which are more generally manufactured.

Mr. President, carrying this study one step further, we find how completely this is a problem of price levels responsive to demand and purchasing power and not to tariff rates. I have selected a list of 15 articles which represented 60 percent of our imports in 1929; such items as tea, coffee, cocoa, rubber, silk, hides and skins, furs, copper, tin, petroleum, and so forth.

The dollar value of our imports of these 15 articles rose from $964,583,000 in 1910 to 1914—the pre-war parity period talked about so much, and for which Government figures are readily available—to $2,614,975,000 in 1929, and declined again to slightly below pre-war levels to $829,855,000 by 1932, and to almost exactly pre-war levels by 1933, due to a slight rise in prices of several of the items. The average dollar value of our imports of these 15 items, representing 60 percent of our imports, was the same for 1931, 1932, and 1933 as for the pre-war period, although their dollar value had risen to three times that level in 1929. It is a false and mistaken notion to assume that we can increase our exports by any change in our tariff rates, or merely by some bargain, such as our trade of wheat with Brazil for her coffee. We must first pay more for what we are importing, which means world price adjustment, so then foreign nations can buy from us, if we want to restore dollar value of exports. This is apparent at once when we note that our exports rose and fell in dollar value as prices went up and fell down, and, further, that they followed the same general course as imports. When we paid high prices for imports, our dollar sales were correspondingly high. During the few years of excess sales we were either paying foreign debts or lending money to those who bought from us, and for that reason, Mr. President, largely, our imports increased to such a point as to be pointed to at this time as the reason why we should do something to increase our foreign commerce, when the fact remains that it was not because of the increase of the commodities which came to our shores but the price that the American consumer was willing to pay for these commodities, as compared with another period in which they would have been enabled to buy these products very much cheaper providing they had the purchasing power with which to make the purchases.

Our old foreign-debt accounts have virtually been repudiated, and we should not continue an unwise lending policy to restore the enjoyment of that trade which was ours in that inflated period of 1929.

Hence our export policy must be coordinated with our financial position, but this certainly does not mean that we shall open our markets to a flood of low-priced foreign goods, thereby depressing our prices and increasing our unemployment. This is no time to add to the world's mess of quotas, licenses, permits, exchange controls, and a hundred other devices.

Mr. Donham, dean of the school of business administration of Harvard University, discussed this question with a great deal of force, and to me, in a very convincing way, pointing out why we should build from within and adopt the same principle that has been adopted by every European nation. We have failed miserably, Mr. President, to respond to the appeals of such men as Dean Donham. It is time thoughtfully to study our new international-credit position and adjust our commerce accordingly.

In order that no doubt may arise as to the accuracy of my statements, I have prepared the detailed statistics of the dollar value of imports of each of these 15 items for the pre-war period, and for the years 1929 to 1932, inclusive.

I ask that this table may be printed as a part of my remarks at this point.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Without objection, permission is granted.

The table referred to is as follows:

United States general imports—Value (15 selected groups)

Item	1910-14	1929	1930	1931	1932
Rubber and manufactures	$210,698,000	$247,420,000	$114,298,000	$76,379,000	$34,272,813
Sugar and related products	106,414,000	229,740,000	150,537,000	122,613,000	105,025,010
Coffee	101,455,000	302,396,882	209,471,802	174,904,211	136,811,614
Tea	16,732,000	25,866,089	22,594,645	18,757,123	12,455,426
Cocoa and manufactures	16,699,000	51,271,164	32,213,729	23,853,380	20,092,908
Hides and skins	104,581,000	137,281,000	92,208,000	50,302,000	22,492,038
Furs and manufactures	22,628,000	125,853,000	68,686,000	55,860,000	28,463,097
Vegetable oils, expressed and fats	22,498,000	100,662,000	73,402,000	47,977,000	32,009,980
Tobacco and manufactures	37,419,000	60,617,000	46,572,000	41,793,000	26,561,474
Jute and manufactures	40,632,000	95,989,000	67,755,000	37,681,000	22,468,635
Silk and manufactures	109,373,000	471,377,000	284,825,000	208,912,000	120,240,435
Total, wood and paper	79,851,000	377,328,000	319,466,000	237,355,000	168,112,328
Petroleum and products	6,252,000	143,558,000	145,116,000	92,741,000	60,635,916
Copper, ore and manufactures	47,845,000	153,710,000	104,616,000	48,744,000	23,735,758
Tin, including ore	41,511,000	91,906,000	60,411,000	36,731,000	16,478,362
Total	964,588,000	2,614,975,135	1,792,332,176	1,274,602,714	829,856,444

Mr. HATFIELD. Mr. President, I have shown conclusively, I think—

First. That increases in the dollar value of imports during the war and post-war periods were almost entirely a price phenomena;

Second. That the present decreases in the dollar value of imports back to pre-war levels also are a result of the price decline;

Third. That if we wish to increase the dollar value of our imports at this time it should be through a world-wide price-

raising program, if that be possible, rather than through reduction in tariffs, which would deluge our markets with low-priced goods from the low-wage countries, thus breaking down our own price structure, and destroying agriculture and increasing unemployment; and,

Fourth. That high tariff rates were not the controlling feature in that the decline in dollar value of imports was equally apparent in dutiable and free goods; in fact, the decline in the dollar value of imports was greater in the case of goods on the free list than those on the dutiable list.

So it can be easily understood, Mr. President, that the error on the part of those who claim that high tariff rates are responsible for the decline in our foreign trade is due to the fact that no one has given serious study to the real picture which our imports and our exports portray. When we remember that 69.5 percent of all the imports coming to this country are free, as compared with 30.5 percent that are dutiable, and bear in mind the picture I have portrayed, it is, indeed, a wonder that we are as prosperous as we are as a nation, notwithstanding the convictions of the distinguished senior Senator from the great State of Tennessee.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Ohio?

Mr. HATFIELD. I yield to the Senator from Ohio.

Mr. FESS. I understand that the Senator is now emphasizing the fact that the percentage of falling off of our imports is larger in the case of commodities on the free list than it is in the case of commodities on the dutiable list.

Mr. HATFIELD. That is true.

Mr. FESS. That is the conclusive answer to all the talk to the effect that the high tariff is the cause of the falling off of our imports.

Mr. HATFIELD. That, I think, is correct.

We must now turn our attention to the other phase of the program, namely, that we must lower tariffs and admit greater quantities of goods, and that is what we hear today from the lips of the Senator from Tennessee, so that in turn—

First. We may increase our exports;

Second. Foreigners may pay their annual interest and other service charges; and

Third. Foreigners may liquidate their indebtedness to us.

Fourth. We must add seven or eight millions to the unemployed and deprive more than 1,000,000 farmers of their properties.

These four propositions must be examined separately.

The first of these propositions, namely, that we should lower duties in order to increase values of imports in order that we may increase our exports, is especially vulnerable. We have not been given the details, and the Senate should be definitely advised of pertinent details before it delegates to administration officers the right finally to negotiate any trades.

I, as one Senator, feel that it is incumbent upon me to take the position I have taken, so that I may report to the 1,800,000 people who I in part represent in the confines of West Virginia that I have protected their work opportunities, and in protecting their work opportunities it was necessary for me to protect the industries which give them employment.

Unless and until this shall be done the Senate should insist that each proposed agreement, first, shall be the subject of a public hearing; second, that it shall be submitted to the Senate for approval; or, third, that it shall be submitted to Congress and a proper period allowed for either the House or Senate, or both, by resolution to indicate approval thereof.

Can you conceive, Mr. President, of a Chief Executive or any group of men being more familiar with the industries, the wants and the needs of the rank and file of the people, than are the Representatives in Congress from the respective districts of the 48 States of the Union, plus the Senators from those States, the men who have been elected by the voice of the people of these respective districts and States? Or can one conceive that a delegated power will be used in such a way as to afford greater protection or give greater consideration to the individual man or to the individual industry than will the power if exercised directly by the Congress of the United States?

Certainly blanket authority to make any and all trades which might occur to any clerk in any of the interested departments would open the way to the wildest orgy of efforts by importers and exporters to have secret negotiations carried through, and in turn would force every American group of farmers, every labor group, and industrial and financial groups to keep a research staff, a legal staff, and a lobbying staff here in Washington trying to defend their present protection and to ward off potential trades. There would also be an army of foreign suppliants, such as we have known during periods of tariff making; and should this bill become a law we will see them here, as they are here at this hour, in the hope that some industry under the American flag may be embarrassed to the benefit of some industry in Europe or the Orient. Members of Congress would be called upon daily to learn whether some industry in their State or district was under consideration. Under the secret operations of reciprocal tariff bargaining no Representative or Senator would know until the mischief had been done and embarrassment had necessarily ensued of any agreement that had been entered into between our own Government and some foreign government. There should be added to the bill an amendment to require the State Department to advise Members of Congress of commodities which are being considered. Otherwise there would be tariff chaos.

Mr. President, unless various protective devices are written into the pending bill, there will be such uncertainty as to what is going on behind closed doors that no industry will be willing or able to make plans 60 days ahead. Banks will not make loans. They are not making loans now. They surely will not make loans in such an uncertain financial condition as would be brought about and as would affect the average industry under a tariff control under the domination of one man whose ideas and convictions are to place American industry upon a serious competitive basis with the underpaid wage earner of Europe and the Orient.

Labor will be in constant fear that it will be unemployed. Farmers will not dare to plant crops which may be traded. Talk of recovery! No suggestion would do more to delay recovery than this proposal for secret executive tariff revision.

Mr. President, I have shouldered the responsibilities of the chief executive of my State. I would not want the responsibility thrust upon me that is proposed in the pending measure. It is too broad. It represents too great a power. To fail in its proper use would mean the destruction of the industrial institutions of the country and would send out upon the highway the wage earner who today has employment, looking for work when there would be none to be found.

Even now we constantly hear of efforts on the part of interests in Mexico and Cuba and of interests in Canada to let in fresh vegetables at lower rates of duty. How are the Senators from Florida, Texas, and California going to react to this? We hear of demands for reducing the duty on long-staple cotton to please England, Egypt, and other foreign groups and certain American buyers. How will Mississippi, Texas, and other States react to this? We hear of efforts of Venezuela, Mexico, and other Latin American countries to send in petroleum and petroleum products. How will Texas and Oklahoma, Kansas and California, and a dozen other States react to this proposal? Have we not got these matters settled now under a flexible tariff provision in the law which requires a public hearing and certification of the findings by the Commission to the Chief Executive of the Nation? Surely we have; and when we have that kind of protection invoked by the law of the land, industry can feel secure and can go forward.

Every day we hear of efforts to bring in cattle from Canada and Mexico and beef from Argentina. Our cattlemen are in a constant state of fear. They saw our administra-

tion last year bring in literally millions of pounds of canned beef from Argentina for the Civilian Conservation Corps camps, while our own cattle could not be sold at any price, even with the present tariff.

Recently I read in the newspapers a news release given out by the Secretary of Agriculture, after the purchase of this canned beef by the Government from South America, advising the farmer, who had his old cow for sale with the idea of retaining and developing her young heifer, that he should sell the heifer and keep the old cow. That is the picture that was portrayed in this news release. Imagine the consternation of the farmer when he finds out how the Government managers have failed to protect him.

Congress should not trust any administration official who cannot be recalled, who is not subject to a vote from home, who is hidden away where he can make secret arrangements which cannot be passed upon by any representative official. Are Senators from farm and industrial States going to delegate full authority, when it is admitted that some ten million are unemployed? In my address of May 1, I named fully 300 articles or commodities which even now may be under discussion and which are marked for slaughter. Perhaps before this subject is disposed of we may find it desirable to discuss the merits of some of these tariff rates in detail and have the Senators interested indicate where they stand on this trading program.

It is said we must let in these imports in order to build up our exports. For instance, we must either export more cotton or practice production control. I have searched the record and find that during 1909–14 our average annual exports of unmanufactured cotton amounted to 8,850,000 bales, each equal to 500 pounds, and at an average annual value of $529,475,000, or an average value of almost exactly 12 cents per pound. That was a very profitable period for the cotton producer. He was satisfied with the price he was receiving for his product. But what do we find in 1932? I find that in 1932 we exported 9,600,000 bales, with a value of $345,164,000, or only 7⅛ cents per pound; and in 1933 we exported 9,050,000 bales, with a value of $398,216,000, or about 8⅘ cents per pound. Thus we are exporting substantially more cotton than in pre-war years, but in 1932 and 1933 the prices were low. If we had received 12 cents per pound, as in 1909–14, our exports for the last 2 years would have had an average value of $560,000,000 instead of a little over $370,000,000—an increase of nearly $200,000,000 a year in value of exports in this one item alone. This is merely another illustration proving that the problem is a price problem and not a tariff problem. I understand that the price of cotton during recent months has ranged as high as 12 cents, so that our exports this year, if price and quantity remain, should equal the pre-war level without any tariff tinkering.

If the problem is one of an expanded cotton crop, then we should first stimulate domestic consumption. Southern cotton farmers use great quantities of burlap on their farms made from imported jute. We use great quantities of woolen carpets and rugs made from imported wool. A dozen other examples could be given. Let us take steps first to extend our tremendously potential domestic market rather than trade off some other American industry.

Recently I read in the Chicago Tribune an article which discloses the pitiful plight of the small cotton worker, the everyday man who works in the cotton field along the highway, telling how he is now looking for an opportunity to have a free ride to some industrial section with the hope of securing employment, having had his cotton-production possibilities destroyed as a result of the cotton control bill which recently was passed by the Congress. I ask permission to have printed in the RECORD at the conclusion of my remarks the article to which I have just referred.

There being no objection, the article was ordered to be printed in the RECORD.

[See exhibit A.]

Mr. HATFIELD. Let us emulate the great European nations in building up and developing our home industries and encouraging them through proper publicity, through the different departments that deal with these problems at home; for if we trade off our products for some other farm crops or manufactured products, throwing farmers and laborers out of work, we will lose the present American market for cotton faster than we will build up a new foreign market.

Mr. VANDENBERG. Mr. President, will the Senator from West Virginia yield to me to suggest the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from West Virginia yield for that purpose?

Mr. HATFIELD. I yield.

Mr. VANDENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hayden	Reynolds
Ashurst	Couzens	Johnson	Robinson, Ark.
Austin	Cutting	Kean	Robinson, Ind.
Bachman	Davis	Keyes	Russell
Bailey	Dickinson	King	Schall
Bankhead	Dieterich	Logan	Sheppard
Barbour	Dill	Lonergan	Shipstead
Barkley	Duffy	Long	Smith
Black	Erickson	McCarran	Steiwer
Bone	Fess	McGill	Stephens
Borah	Fletcher	McKellar	Thomas, Okla.
Brown	Frazier	McNary	Thomas, Utah
Bulkley	George	Metcalf	Thompson
Bulow	Gibson	Neely	Townsend
Byrd	Glass	Norbeck	Tydings
Byrnes	Goldsborough	Norris	Vandenberg
Capper	Gore	Nye	Van Nuys
Carey	Hale	O'Mahoney	Wagner
Clark	Harrison	Overton	Walcott
Connally	Hastings	Patterson	Walsh
Coolidge	Hatch	Pittman	Wheeler
Copeland	Hatfield	Pope	White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, there is a quorum present.

Mr. LONG. Mr. President, will the Senator from West Virginia yield?

Mr. HATFIELD. I yield.

Mr. LONG. I should like to have the attention of the senior Senator from Tennessee [Mr. MCKELLAR] for just a moment.

In order to complete my remarks, I ask that I may be permitted to read a few lines from a statement in the RECORD embodying Democratic philosophy, which I have followed, and which was a source of inspiration to me before I entered this body.

Mr. President, I ran for the Senate in the fall of 1930, and took my seat in January 1932. Before I was a candidate for the Senate, on March 22, 1930, there was offered in the Senate by the senior Senator from Tennessee [Mr. MCKELLAR] an amendment to increase the ad valorem duty on certain paper, an amendment to paragraph 1405 of the pending tariff bill, to place a duty of 3 cents per pound and 10 percent ad valorem on plain basic paper and 3 cents per pound and 20 percent ad valorem on that which had been albumenized or sensitized.

I wish to read the following from the remarks of the Senator from Tennessee in the discussion of that amendment on March 22, 1930, appearing on page 5905 of the CONGRESSIONAL RECORD of that date:

> Mr. MCKELLAR. Mr. President, with this statement I am going to leave the matter to the Senate. It seems to me there is but one question. Here are two great corporations, one the Eastman Kodak Co., the other the Agfa-Ansco Co. One is an American company, the other is a German company. On general principles, it seems to me that we ought to be willing to take the side of the American company. I am willing to do so, and I hope the Senate on a vote will do likewise.
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> * * * * * * *
>
> Mr. MCKELLAR. Yes; it is the paper that is produced by the monopoly, and those who are fighting it are a German monopoly by the name of the Agfa-Ansco Co. It is a fight between a German monopoly and an American monopoly, if the Senator wants to put it that way, and, of course, anybody can choose which monopoly he is for, whether the American or the foreign monopoly.

I wish to read further inspirational sentences from the discussion.

Mr. McKELLAR. Mr. President, I thank the Senator, as far as he has gone. I entertain the same sentiments today.

Mr. LONG. I desire to read further inspirational sentences from the Senator from Tennessee, which I am sure will stay with us through the night, and no doubt will bring the Senator from Tennessee back to the faith of the fathers.

On page 5907 of the CONGRESSIONAL RECORD appears the following:

Mr. McKELLAR. The Ansco Corporation was organized in 1928, according to my information. It was formerly directed and controlled by the German I.G., commonly known as the "German I.G. Chemical and Dye Trust." Recently the German I.G. formed an American I.G. chemical corporation and apparently now conducts its activities in the United States through the instrumentality of the American I.G. Co. The power, wealth, and activities of the German I.G. Trust are well known among American manufacturers. It is most natural for a powerful group of foreign companies to seek to secure the entry of foreign-made basic paper at a low rate in order to reduce materially their cost of the finished paper, which they sell to American people. That is the fact about it. There is no doubt in the world about it being the German trust that wants to bring this paper in free. The American trust, if we may call it that, as some people do, want a duty on it. That is the situation.

So the Senator stated that as a basic principle, which inspired me, as it did him then.

I leave these remarks with the Senate, hoping that when the Senator from Tennessee shall return to his study tonight he will have opportunity to find out that he was following another famous Tennessean, President Andrew Jackson. My State will always be grateful and will follow along with the principles of these illustrious Tennesseans, Andrew Jackson and Senator McKELLAR.

Mr. McKELLAR. Mr. President, I again thank the Senator most cordially.

Mr. HATFIELD. Mr. President, time does not permit at this moment to set down other illustrations. They all point to the same conclusions. If we pass this bill, it will probably bring out many other illustrations showing we cannot afford to go into a wholesale secret set of trades, giving away our domestic markets in the vain hope of getting a better foreign one.

Mr. President, there appeared an editorial a few years ago in a paper named "Labor." This editorial is so appropriate to the picture which I have portrayed dealing with the home markets that I feel impelled to read it at this time. It deals with the home markets, as I have stated. It states that the home market is nine times as important as the foreign market. Then it tells, Mr. President, how to stimulate the home market. I quote:

A new financial journal, the National Sphere, has an article on its cover which begins as follows:

"With 7 percent of the world's population, the United States consumes 48 percent of the world's coffee, 53 percent of its tin, 56 percent of its rubber, 21 percent of its sugar, 72 percent of its silk, 36 percent of its coal, 42 percent of its pig iron, 47 percent of its copper, 69 percent of its crude petroleum, and owns twenty-three of the thirty million running automobiles.

"While the population of the United States was increasing by 60 percent, industrial production increased by 300 percent. The purchasing power of the 120,000,000 citizens of this country is greater than that of the 500,000,000 Europeans and much greater than that of the more than a billion Asiatics."

All of which is true. But then, on an inside page, is another article headed "Export Trade Becomes Vital to American Prosperity." It urges the "stimulation" of foreign markets, because they take about 10 percent of the output of this country each year. I again quote:

It seems to Labor that the Sphere needs to learn on its inside pages the lesson taught on its cover.

If 90 percent of our production is consumed at home and only 10 percent goes abroad, then it is surely nine times as important to stimulate the home market as to stimulate the foreign market.

America's purchasing power is greater than that of a 4 times larger population in Europe and a 10 times larger population in Asia because American wages are relatively high.

Make these wages higher still and the buying power of the home market will increase in full proportion. Wipe out the periods of unemployment or half employment and there will be another increase in buying power.

A 1 percent gain in consuming power of the home market is equal to 9 percent boost in the demands of the rest of the world, and the home market is in our sole control, while the foreign markets are ruled by the financiers, governments, and customs of other nations.

The thing really vital to American prosperity is steady employment at high wages. The foreign market is important, valuable, but the heart of our prosperity—when we have it—is at home.

Mr. President, that is one of the most patriotic editorials that I have ever read in any American paper, and if we, as Americans should practice this principle, adhere to it, and build from within, we would accomplish more, we would achieve it more quickly, and reestablish that prosperous condition that we once enjoyed as a nation of people by building from within, reducing the hours of employment, and, at the same time, protecting the employment opportunities of the wage earners in this Republic against the cheap products which come into competition with their toil when they come to our ports in America, or at least require their production on a parity with the products of the home industry.

Mr. President, the second proposition is that we must open our markets by abandonment of certain branches of agriculture and manufacturing to successful foreign competition, in order to make it possible for foreign debtors—individuals, partnerships, corporations, and governments—to pay the service charges on their debts.

We were not accorded those privileges, Mr. President, when we were a debtor nation, which I will be able to disclose in the paragraphs which are to follow.

If we are going to pursue any such policy, it would be better to abandon our immigration restrictions and let these foreign people in here, and raise them from their low standard of living to our higher standards, than to lower our own by letting in a flood of goods; it would be better to abandon our merchant marine, which would be equal to the service charges on a large share of these foreign debts, and return to the policy of paying freight and insurance to foreign nationals, thus furnishing them the money with which to pay their service charges on their debts. I favor neither of these methods, however. There are other methods of taking care of the service charges on our foreign investments than the one proposed of stimulating imports, which is synonymous with lowering our prices, thus ruining our farmers, lowering wages, and leading to vast unemployment.

But I do not favor any of the methods suggested—lowered tariffs, trading off our markets, letting down our immigration restrictions, or abandoning our merchant marine. I propose to analyze this problem briefly to show that no such radical program of so-called "reform" is necessary and that each such proposal would only delay recovery, and that none of them are appropriate reform measures to consider at this time. I am glad to observe that the administration, under fire from the Republican Members in the House of Representatives, has openly at least abandoned the idea of cancelation or compromising foreign government debts as a part of this trading program. It is equally unwise to trade off our market and our farmers, laborers, manufacturing, forestry, mining, fishing, financing, and the other activities of our people.

Here, Mr. President, under our flag, where more than half of the business of the entire world is done, is to be found the greatest market on God's earth for every group. People from every clime and every land are seeking an opportunity at least to enjoy a part of the home market here under the Stars and Stripes.

Mr. President, for about 15 years—from 1918 to 1933–34—our financiers and our Government have been in a net creditor position—namely, our foreign investments have exceeded our debts to foreigners. But the rank and file of the people were in a debtor position.

They are, Mr. President, in a debtor position at the present time. They are almost, Mr. President, in a bankrupt position, and it remains to be seen whether they will be redeemed from this impoverished condition by this administration, and there is only one way to do it, and that is to build up the purchasing power of the individual man.

For a full 150 years before that—from 1765 to 1918—we were a debtor nation, and I am not so sure that we ever had a favorable balance in commerce and trade in dealing with

imports and exports. When we read the recorded facts dealing with the industrial history of this country, if we add our colonial period, we may say that we were a debtor nation from the date of discovery up to about 1918, '19, '20. That did not mean that we were sinking to a lower level of civilization, Mr. President, but to the contrary, we were going forward, onward, and upward in our progress toward higher civilization, until today we stand upon the pinnacle overlooking every other nation in our progress among the nations. An individual debtor, or a debtor nation, with such marvelous assets in men and materials, may be moving forward to bigger and better accomplishments, as we did.

Thus it was for us for a century, or even two centuries, and so it can be with some outside countries which are now debtors to us. It does not follow that we should withdraw from active business relations, political relations, or social relations merely because we so unwisely have become a new creditor government, while the masses of the people were being lured more and more deeply into debt.

Mr. President, a study of our international trade shows that in every year except 14, from 1776 to 1875, a period of 100 years, we had an unfavorable balance of trade. Here we were, a debtor nation; and yet we continued for a hundred years, except 14 scattered years, to get deeper and deeper in debt and to have an unfavorable trade balance against us, but we were going forward, we were developing. Our educational system was developing. Our professional system of medical science and chemical science was developing, and today those professional men do not have to look to Europe for a finished education, because they can find it within the confines of our own Republic. We were saved by our vast national resources, the vast flow of immigration, and the courage and hardihood of the individual American, then unregimented, before the enactment of the National Recovery Act.

Let me add that in that 100-year period the net unfavorable balance adds up to a grand total of $2,346,125,000, an infinitesimal sum compared with the vast amount of money which we dissipated in our participation in the brawls of Europe from April 6, 1917, until the conclusion of that conflict. Interest was accumulating all of that period and being added to the debt by being reinvested in this country. Furthermore, we had payments to make for marine insurance, freights, immigrant remittances, and so forth. It has been estimated that by 1875 our indebtedness was no less than $5,000,000,000, and service charges were probably equal to $250,000,000 a year. In addition, we had to pay insurance, freight, and other charges for foreign service rendered. But our position was unique in the world. We were a free people, with a democratic Government.

Then our program commenced to turn. From 1876 to 1896, a period of 20 years, we had an average annual favorable balance of $109,343,000. This favorable balance was apparently less than one half enough to pay foreign interest and other service charges. It is variously estimated that during that 20-year period our public and private indebtedness to foreigners increased $150,000,000 a year, largely through reinvestment here of earnings on former investments and building of factories here, or a total of from $3,000,000,000, to a total indebtedness of possibly $8,000,000,000.

The American people reaped the whirlwind as to the attitude of the Europeans when the great depression came in 1929 in the withdrawal of their investments and the cashing in of their investments, which brought havoc and distress to the American people.

Again, we improved our trade relations, and from 1896 to 1910 our favorable balance increased to an annual average of $443,766,000. In view of our great foreign debt, and the fact that we had insurance, freight, and other foreign-service charges to meet in addition to interest, it is fair to assume that our foreign indebtedness may have continued to increase, but at a very slow rate. It is well known that beginning soon after 1896 we began to make very substantial foreign investments of our own in Cuba, the Philippines, Puerto Rico, Hawaii, Canada, Mexico, Panama, and elsewhere.

Between 1911 and 1915 we apparently began to reduce our foreign indebtedness, or to rapidly build up our own foreign investments, since our balance of trade during that 5-year period averaged $658,220,000 annually. During that period, or at least up to the middle of 1914—it is quite possible that so-called "invisible items"—foreign travel, immigrant remittances, foreign contributions for reduction, medical research, missionaries, and so forth, added to interest, insurance, freight, and other service charges may have taken most of our favorable balance so that the World War may have been the real beginning of the change in our status from a debtor nation to a creditor nation.

Our own indebtedness to foreigners was probably near its peak in 1914. During the 5-year period, 1916–20, our favorable balance of trade averaged $3,162,836,000 a year, or a total favorable balance of $15,814,180,000. This was enough to pay average carrying charges of $400,000,000 a year and liquidate $8,000,000,000 in foreign indebtedness, leaving foreign investments for ourselves of some $6,000,000,000. It is not to be concluded that we did in fact pay off all foreign obligations. As late as 1930 it was estimated that foreign investments in this country still amounted to nearly $5,000,000,000, so that in fact our own foreign loans had evidently gone far above $6,000,000,000. This, of course, was the period of reckless, large loans to foreign governments by our Government and through the sale of foreign securities to our people.

The 10-year period 1921–30 saw a further piling-up of private, as distinct from Government, foreign investments, since now we supplied our own marine insurance and merchant marine, at least in part; had large earnings on foreign investments already made; and continued to have a large, favorable balance of trade. Our average annual trade balance from 1921 to 1925, inclusive, was $946,924,000, while from 1926 to 1930, inclusive, it averaged $743,845,000—a total for the 10-year period of $8,453,845,000. From these figures it is easy to visualize how we so rapidly changed from a net debtor Nation of from eight to ten billion dollars in 1914 to a net creditor position of at least $20,000,000,000 in 1934, even after greatly reduced foreign government obligations.

However, the change is not so simple as these figures might make it appear. When the World War began, our National Government was free from debt, with the exception of about $1,225,000,000. By the time the post-war records were balanced, our national debt had mounted to over $25,000,000,000; and when we partially canceled or compromised debts of foreign governments to our Government, it was for an amount not far from one half this amount. When we discuss our status as a great creditor nation—a comparatively small group of our citizens with $15,000,000,000 invested abroad, and our Government with foreign credits of ten billions—and talk of allowing imports so that foreigners and their governments may pay service charges and liquidate indebtedness, let us not overlook the fact that our Government is also indebted to its citizens, or soon will be, to the extent of over $30,000,000,000, and that in order to service these debts and liquidate them someone will have to pay taxes of a billion dollars yearly. These taxes will not be paid by the foreign citizens who owe our citizens, or the foreign governments who owe our Government, but by our own people. If our own people are going to have to pay these national taxes in the smaller units where they live, coming up to the State unit, and then taking care of the Federal Government charges, together with the emergency relief charges, then we dare not at this time knock out from under them their home markets by increasing imports, lowering prices and wages, and forcing more unemployment.

Mr. President, I ask to have printed as a part of my remarks at this point an analysis of our favorable and unfavorable balances of trade from 1776 to 1930.

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

Analysis of export and import trade of the United States, 1776 to 1930

Year	Average annual			Total excess of exports (+) of imports (−)
	Exports	Imports	Excess of exports (+) of imports (−)	
1776-90 (estimated)	$30,000,000	$40,000,000	−$10,000,000	−$150,000,000
1791-1800	46,774,000	59,185,000	−12,411,000	−124,110,000
1801-10	74,532,000	92,766,000	−18,234,000	−182,340,000
1811-20	58,989,000	80,812,000	−21,823,000	−218,230,000
1821-30	69,421,000	72,949,000	−3,528,000	−35,280,000
1831-40	103,550,000	119,520,000	−15,970,000	−159,700,000
1841-50	122,620,000	121,123,000	+1,498,000	+14,980,000
1851-60	248,887,000	284,475,000	−35,588,000	−355,880,000
1861-65	187,811,000	225,439,000	−67,628,000	−338,140,000
1866-70	320,842,000	408,295,000	−87,453,000	−437,265,000
1871-75	501,841,000	577,873,000	−76,032,000	−360,160,000
1876-80	676,761,000	492,570,000	+184,191,000	+920,955,000
1881-85	791,892,000	667,140,000	+124,750,000	+623,750,000
1886-90	738,379,000	717,231,000	+21,148,000	+105,740,000
1891-95	892,421,000	785,137,000	+107,284,000	+536,420,000
1896-1900	1,157,318,000	741,519,000	+415,799,000	+2,078,995,000
1901-05	1,453,803,000	972,162,000	+481,641,000	+2,408,205,000
1906-10	1,778,697,000	1,344,838,000	+433,859,000	+2,169,295,000
1911-15	2,370,539,000	1,712,319,000	+658,220,000	+3,291,100,000
1916-20	6,521,190,000	3,358,354,000	+3,162,836,000	+15,814,180,000
1921-25	4,397,026,000	3,450,103,000	+946,924,000	+4,734,620,000
1926-30	4,777,313,000	4,033,469,000	+743,845,000	+3,719,225,000

Mr. HATFIELD. This record discloses a picture that is worth the study of any citizen who is interested in his government's future destiny.

Mr. President, I have made this excursion into the foreign-trade experience of this country for several reasons.

First, I wanted to bring out the fact that for a hundred years we were a debtor country, and yet during all but 14 of these 100 years we had an unfavorable balance of trade, and continued getting deeper and deeper into debt. We were a growing, free, and democratic country, expanding in physical area, developing our resources, increasing in population, and raising our standards of living.

Second, I wish to point out that most of the 15 billions of private foreign investments of our financial people at the present time is likewise in growing, developing countries, for instance, South America in part. Indeed, permit me to point out that in 1932 our private long-term investments in Europe were only $4,432,000,000, while in 1929–30 it was estimated that foreigners (chiefly Europeans) had investments in this country amounting to $4,700,000,000. A real study of this subject probably would disclose the fact that our private investments in Europe are no greater than their private investments in this country.

Our private investments in foreign countries were as follows:

Canada and Newfoundland	$3,999,000,000
Central America	966,000,000
South America	2,982,000,000
West Indies	1,209,000,000
Africa	129,000,000
Asia	1,002,000,000
Oceania	428,000,000
Europe	4,432,000,000
Plus capital of banks and insurance companies	125,000,000
Total	15,272,000,000

It is not at all unlikely that European countries have similar investments in these areas, especially in their own possessions.

From these facts, I see no logic in the suggestion that we must let in more imports merely in order that European countries may be able to service their debts. Indeed, the annual service on the intergovernmental debts is a comparatively trifling item to our two principal European debtors. Neither England nor France is any longer mentioning lack of ability to pay. The annual payment on the debt of England to us for principal and for interest would amount to less than 3½ percent, possibly, of their budget, and in the case of France it would amount to much less than that. So the facts that have been developed prove to me conclusively that we ought to take care of home folks, home industry, and home toilers, and give them first consideration.

In the third place, I wish to point out that the period of restoration and recovery is scarcely a time to force collections. This is another act of deflation and depression, and another obstacle in the way of recovery. Too many instances of this kind are being encountered by the average American in his experience with the banking institutions of this land today. Not only is it individual, but it also affects collective individuals who represent industries, and because of that attitude of the banking institutions of this country I have felt friendly toward legislation that would, from the Federal Treasury itself, give protection and relief to those who cannot secure the proper credit to take care of the investments they have made which they hoped would protect them through their rainy day of life.

Mr. President, I wish to conclude with a few historical facts which are intricately and intimately woven into the growth and development of our national industrial fabric, facts that none will dare to deny. It is a historic truth, Mr. President, and something that every American patriot should read and be governed by in his acts in dealing with responsibilities, public and private, that may come to him as a citizen—we have it inculcated into every fiber of our make-up—that the lamp of experience as recorded in past history is the safest, indeed, the only safe guide for the future.

In referring to past history I do so with the hope that it may impress those who have the future destiny of our Government in hand, that they will reflect seriously as to this great responsibility that is theirs, and on the results that may readily come if disregard and disrespect are the treatment accorded these historical facts.

I do not agree, Mr. President, that we are to rebuild a new nation upon the ruins of the old; for to undertake such a Herculean task would be largely to cast off all that has been accomplished in the development of our resources and our national wealth, representing some $350,000,000,000 in gold, with a value in each dollar representing 23.22 grains.

Past history records the fact, Mr. President, that 100 years ago the same political tactics were adopted that were undertaken in the year 1929 under Mr. Charles Michaelson, of the Democratic National Propaganda Bureau here in Washington; the tariff then, as now, being the occasion for arousing hatred on the part of planters and individual citizens who possibly were more or less unfamiliar with our natural growth in manufactures. These methods were successful then with results which none would wish repeated; but unless these methods are promptly abandoned, their effect in the twentieth century will be what it was in the nineteenth.

I invite every patriotic American to read that history and the results which followed in the industrial growth of our Nation, and how they affected the individual man who lived in those days.

The citizenship of America, from the individual citizen's point of view, and from an agricultural and industrial point of view, let me urge, is so interrelated that we can well be classed as one great family; and in that true sense Americans are all kinsfolk. He who teaches otherwise is unworthy of public confidence.

The first Congress of the United States, history records, was composed largely of farmers, and they were wise men. They understood full well that if all Americans were to remain tillers of the soil, it would be vain to plant or sow except for their immediate families. Therefore, as everyone knows, the first legislative act of the first Congress of farmers and planters was a protective tariff bill. The reading of the industrial history of America establishes this fact. It establishes these further facts:

First. Every manufacturing enterprise in the United States had its origin in a feeling of security engendered by ample tariff protection on its product before the industry was established. By this I mean to be understood as claiming that the Republican Party alone is entitled to credit for every manufacturing enterprise established in this country since 1861. If any gentleman on the other side will name a single industry that owes its origin to Democratic legislation, barring the production of a few chemicals

as the result of a protective tariff thereon as a war measure, I will make public apology.

Mr. President, the chemical industry was developed during the World War, and it is my purpose to discuss that great industry before the close of the debate; it is so important. Indeed, there is hardly an industry in the United States today that is being operated in which the chemical equation does not enter fully, and no industry could successfully exist and develop, to the satisfaction of the consumer, without the chemical equation.

Second. Whenever tariff rates have been revised upward, industry and commerce have promptly responded, and the party responsible has never lost control except at the zenith of its achievement, and when the country could stand prosperity no longer.

Third. Whenever tariff rates have been revised downward, however slightly or gradually, industrial ruin has ensued, and the party responsible for the downward revision has invariably and always lost control amid popular execration.

Fourth. Per capita importations are always larger when American producers are given ample security against foreign competition than under a tariff-for-revenue-only policy. To this historic fact there never has been an exception, and never will be one.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. LONG. While the Senator from Mississippi [Mr. HARRISON] is in the Chamber, I wish to have it stated in the RECORD that, as a Senator, whether we are allowed to take up and act on the resolution offered by the Senator from West Virginia or not, I request publicly that the Secretary of State, or the Department of State, send to the Senate the treaty which has been negotiated with Colombia, which is awaiting the enactment of the pending bill for its validity. I wish to have the announcement made that respectfully, with all due courtesy, I request the Department of State to send to the Senate a copy of the treaty which has been negotiated with the Republic of Colombia, fixing certain tariffs which will become validated when this bill shall have been enacted. In other words, inasmuch as it has been announced that our action on the bill will validate that treaty, I think that at least the Senate should have knowledge of such treaties as have already been negotiated, which are to be validated by our action.

I shall be very much disappointed if by tomorrow morning the Department of State shall not indicate its willingness to allow the Senate to have a view of this already executed treaty.

I thank the Senator from West Virginia.

Mr. HARRISON. Mr. President, since my name was mentioned, I take it the question just propounded was directed to me.

Mr. LONG. Yes.

Mr. HARRISON. I understand there is no objection on the part of the State Department to making public the terms of the treaty referred to. I understood on yesterday that the State Department had sought permission from the other contracting party to have the treaty made public, and that if permission should be granted, the treaty would be made public. I am sure that is the attitude of the State Department.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Mississippi whether he understands that this is a treaty which is to come to the Senate for ratification under the previously existing treaty process, or whether it is a trade agreement, which is not to come to the Senate, but is to be validated under the new power contained in the pending bill?

Mr. HARRISON. I may say to the Senator that I am not familiar with the proceeding. I only know that yesterday I was informed by the State Department that they understood that some Senator was to make a request that this matter be published. I think they told me who the Senator was who intended to do that and gave me the information I am now giving to the Senate. I presume it is a treaty which would have to be submitted to the Senate. I just imagine that, because I do not know of any authority which the State Department now has to enter into any treaty which does not have to come to the Senate for ratification.

If this matter should be delayed until after the passage of this bill, perhaps the agreement might be made without its coming to the Senate. It seems to me that it would be wise for the matter to wait until this bill is out of the way; but I am merely giving the Senate the information which came to me yesterday. As I understand, the State Department has no objection to making public anything that is in that agreement or treaty.

Mr. VANDENBERG. I take it from the Senator's observation that he would concede that it would be a rather dubious thing if the State Department in December had made a treaty or trade agreement in contemplation of this ungranted authority, with the expectation of holding it back and not sending it to the Senate under the treaty process. I take it that the Senator thinks that would be a rather doubtful contemplation.

Mr. HARRISON. I made the statement because I know there are some gentlemen who seize upon everything in order to make another speech, and I think it is rather unfortunate that the matter is to be concluded now only for the reason that it makes more fuel to be used in this debate.

Mr. VANDENBERG. I shall appreciate it if the Senator will permit me to ask him one further question.

Mr. HARRISON. Certainly.

Mr. VANDENBERG. The Senator apparently agrees that this treaty having been concluded last December, it probably was intended that it should be sent to the Senate for confirmation ultimately, in the regular process. If that be so, I ask the Senator why the State Department press release on December 15, 1933, stated that—

> The agreement will come into force after the necessary legislative action shall have been taken in the United States and Colombia.

Would not that lead to the reasonable interpretation that in December they had negotiated an agreement in contemplation of this subsequent power?

Mr. HARRISON. That inference might be drawn; and if it should be, I do not think there ought to be any criticism because of it. I will say to the Senate, however, that the State Department inform me that they have no objection to making the treaty public if someone wants that to be done, and they are only requesting the consent of the other nation which is a party to it before making it public.

Mr. VANDENBERG. Then there would be no objection to the adoption of the resolution asking for the treaty?

Mr. HARRISON. I shall object to its adoption now. I desire to get the tariff bill out of the way before we take up something else.

Mr. LONG. Mr. President, my understanding of this matter is a little bit clouded. I had understood from the Senator from Mississippi that the State Department were willing to send the treaty here, and were only waiting for the permission of the Republic of Colombia. I was under the impression that they had asked for that permission, and that it ought to be merely a matter of a day when they would hear from the Republic of Colombia as to whether or not they could make this treaty visible to the Senate. In other words, it has quite a bearing on our action on the pending bill, in view of the news report which has been read by the Senator from Michigan to the effect that that treaty has been negotiated and is waiting upon our legislative action for its ratification. If any other different view might be taken of the treaty, we should see it. If this is the bill that ratifies the treaty, we ought to see the treaty. If a separate ratification of the treaty is necessary, we ought to see it. The subject has been debated here several days.

This resolution was introduced yesterday, but it was mentioned day before yesterday. I hope we shall have the treaty by tomorrow.

I should like to look the treaty over. I am satisfied that it clearly affects the people of the South. We are competitors of the Republic of Colombia. They compete with our

meat, Mr. President. They furnish meat to this country. They furnish products which take the place of our cottonseed oil and our vegetable oil, and they furnish products which come in direct competition with our mineral oil.

I know that if this treaty is very extensive in its terms it takes something away from us. We should like to know, together with the people in West Virginia, what the treaty has in it. I hope there will not be much delay in furnishing the treaty to us; that if the State Department has not already sent the necessary telegram or cable, or communicated with the Colombian Embassy, it will do so tonight. I cannot see why Colombia should undertake to keep the treaty secret, unless Colombia felt that if the American people knew its contents they would object to it.

It may be that there is something in the treaty which is so favorable to the Colombian concerns that they feel that the discovery by American interests that these institutions of Colombia are to take some of their business would injure the status of the treaty. If that attitude were taken by Colombia, it would be practically the same as telling us that they feel that the knowledge, if it should come to us, would in some way affect the possibility of ratifying the treaty.

All that, Mr. President, is a reason why there ought to be no delay in sending the treaty to the Senate. I hope the few words I have spoken, and the very gracious position which the Senator from Mississippi [Mr. HARRISON] has announced, will result in our obtaining the treaty by sometime tomorrow so that we may find out something of what we may expect from this kind of legislation if this is to be a ratification of the treaty to which reference has been made.

Mr. HATFIELD. Personal investments which our individual citizens have in some industry, the desire of the workers to protect employment opportunities they have or had, the desire of our farmers to retain that market which yearly consumes 98 percent of all they produce other than cotton, wheat, and corn, naturally forces our people to protest against and to resent the passage of legislation which enriches foreigners at the expense and the suffering and privation of our own people. Are they therefore to be condemned because of their anxiety? No, Mr. President. It is my conviction that they are entitled to exaltation, to commendation, and to expressed confidence, for the reason that they are not only laboring to maintain their own interests, but in doing so they are laboring to protect the work opportunities of the toilers, and to afford a desirable market for the farmer, as well as to give their assistance in the way of developing a purchasing power to the average man. When we trace these ramifications of the interest of the individual man as they interrelate themselves to our whole industrial fabric, it is easy to understand that the prosperity of these industries make for our social uplift, not individually, but collectively, to the extent that its influence involves every man and woman of the 125,000,000 people that inhabit our national domain.

So I repeat that under our flag all are kinsfolk, and that nationally, not locally or sectionally, do we prosper or languish.

EXHIBIT A

[From the Chicago Tribune, May 21, 1934]

FINDS A.A.A. PUTS COTTON WORKER IN DESTITUTION—SHARE CROPPERS GO TO CITY FOR AID

By Arthur Evans

SIKESTON, MO., May 20 (special).—Regimentation of cotton growers under the "new deal", as viewed in this region, is throwing a large portion of the share croppers, both white and Negro, who furnish the labor for the crops, out of employment and into destitution.

In this area about one third of them are estimated to be adversely affected.

The cotton worker, who has been on the ragged edge, a few jumps ahead of the wolf, is regarded as sustaining the heaviest load under the acreage-reduction plan of the Agricultural Adjustment Administration and the Bankhead Act, which aims to cut cotton production to 10,000,000 bales a year. In many cases the pressure is driving share-cropping families off the land.

At Cape Girardeau, on the outer fringe of the Cotton Belt, a few weeks ago white and Negro families in direst poverty were stranded along the highways, seeking to hitch-hike their way into the larger cities. Inquiry developed that they were share croppers, mostly from Arkansas, who had been cut out of work when acreage was reduced.

AID "EASIER IN THE CITIES"

The explanation they gave was that they were "hitting the road" to the cities believing it would be easier to get aid there. Cape Girardeau reported it was feeling the pressure of numerous Negro families who had been starved out of the cotton country, and in St. Louis there were complaints of an influx adding to the unemployed.

Here in Sikeston, a fertile region fond of calling itself a modern "Valley of the Nile", tenant farmers and landowners in general hold that the cotton-control project of the new deal is working havoc with the croppers.

In the eight cotton counties of southeast Missouri some farmers are refusing to sign acreage contracts.

In nearly 2 days spent in Sikeston and vicinity the observer got the same general story from nearly all cotton raisers interrogated. It was to the effect that the share cropper is made the scapegoat, since he is the man least able to stand further economic pinching.

UNREST ABOUNDS IN TOWN

Where the N.R.A., by reducing hours, seeks to make jobs for more workers the A.A.A., by reducing acreage, is reducing jobs for workers, and the farmers here hold that the Washington "brain trust" is thus traveling in opposite directions. In the towns much unrest and dissatisfaction is evident. Criticism is loud.

The argument is that the share cropper is worse off under the recovery program than he was in the worst year of the depression.

The cotton growing set-up around here is of this nature. The landlord owns the land and buildings and pays the taxes. He either operates himself or rents the farm to a tenant who manages and furnishes the seed, mules, and equipment. The growing of the crop is contracted out to the share cropper. He, his wife, and children furnish the labor. He gets a cabin free, the cutting of his firewood, and can plant a garden, but few of them do.

CROPPER GETS A HALF

When the crop is sold the landlord gets one fourth, the tenant farmer one fourth, the share cropper one half.

In general, 10 acres to a man is figured in growing the crop. A cropper with wife and family hereabouts is accounted good for 25 or 30 acres. He can grow more than he can pick, and in picking time additional labor is hired at about 1 cent a pound at present estimates.

The share cropper pays for this, as he is supposed to furnish the labor.

Here is a case which is regarded as typical of what is happening in southeast Missouri under crop allotment and the A.A.A.:

E. P. Coleman, a leading citizen of Sikeston, has a farm a short distance out in Stoddard County. Mr. Coleman is a Harvard man. He specialized in economics.

"But", says he, "I was never taught anything at Harvard like the halfbaked theories of the 'brain trust.'"

HALF IN CULTIVATION

The Coleman farm is 681 acres, of which 367 are in cultivation. An average of 363 acres was planted in cotton in the base period of the acreage-reduction plan. The yield was 234 bales in 1931 and 225 bales in 1932. (A bale is 500 pounds.)

When the contract making began the Coleman farm was cut to 100 bales of tax-exempt cotton. This was a 56-percent cut, where the landlord had been expecting about a 40-percent cut. This reduction to 100 bales was made before the contract making began with the commissars. Then another cut was made to 60 bales, the explanation being this was to "conform" to the reduction program.

On this farm the Government is going to pay rent on 97 acres, at the rate of $7.35 an acre. This price is fixed at the rate of 3½ cents a pound on a yield of 210 pounds to the acre, although the Coleman records show the yield was 355 pounds to the acre over the base period.

"Thus," says Mr. Coleman, "the cotton acreage on this farm was reduced from 323 acres, the base period average, to 145 acres, to produce 60 bales of tax-exempt cotton. Rent is to be paid for 97 acres, making a total of 242 acres. Then we knock off, for luck, 81 acres, which is not to be put into cotton and on which no rent is to be paid.

NOT EQUIPPED FOR CORN

"We can put these 81 acres into corn and sell it; but we're not equipped to grow corn, but cotton. Besides, this would run counter to what the Government is doing in corn States in cutting acreage—the programs don't seem to mesh.

"So our actual reduction in cotton acreage is 178 acres from the old 323 acres, for which the farm will receive $712 in rental payment."

On the Coleman farm are 67 persons in 11 share-cropper families. This year the families will be retained on the land and the reduced cotton acreage divided among them.

In 1931 seven share-cropper families had a return of $2,627.26, or $375.30 per family. Out of this had to come the expense of extra cotton-picking labor.

In 1932, 10 families on the same farm made $3,019.52, an average of $301.95 per family.

In 1934, 11 families on the farm, it is estimated, will make $1,750 or an average of $159.10 per family. This figure is based on the

prepared reduction contract plus a 1-cent-a-pound parity payment to the cropper, the price of the lint cotton being estimated at 11 cents a pound, present market value.

MUST BE CARED FOR

The increase in number of families on the farm is due to increased acreage 2 or 3 years ago. The families are still there to be taken care of despite the reduction in acreage.

"From these figures", says Mr. Coleman, "it appears the share cropper is worse off under this recovery plan than he was during the depression in actual money return. And in addition, the cropper is paying 35 percent more for the goods he buys than last year, while consumers are paying processing taxes and higher prices for goods. In other words, the processing tax and higher prices are being paid by the consumer to give hypothetical aid in recovery, while in real operation the program is reducing income of the great bulk of cotton labor, and in numerous instances is swelling the ranks of the unemployed.

"The Government insists the landlords maintain the same number of tenants they had on their farms in 1933. They do not permit the landlord to have a base acreage in excess of the average of 1928 to 1932. During 1933 there was a great increase in cotton acreage. On this particular farm, the croppers who farmed 100 acres in 1933 would be retained to plant 35 acres in 1934. It is ruining the share cropper and is the cause of general unrest, dissatisfaction, and complaint."

BETTER THAN ELSEWHERE

In southeast Missouri, conditions in the cotton fields are rated much higher than in some other sections of the Cotton Belt, and the return of the share cropper has been somewhat greater. Scores of farmers are complaining on the rule-of-thumb method used in ascertaining the acreage reduction. Most farmers do not keep records and apparently did considreable guesswork in figuring how much they raised during the base years. When the returns were footed some counties were given totals above the official records for the counties, and this led to a horizontal cut on top of the initial reduction contemplated. The effect was to penalize landlords and tenants who had kept books.

William Graham, former county judge here, dwelt sorrowfully but explosively on his experience. "The Government gave me a black eye", he said. "I gave them 35 percent off, and they came back and knocked me off 40 percent more. They gave no reason for that last cut."

"Why didn't you tell them to go to Jericho, Jedge?" asked a bystander.

"Because, like the rest of you, I was scared to", answered the judge. "That Bankhead 50-percent tax looked like a sword of Damocles, but everyone is kicking now."

A TYPICAL EXPERIENCE

An experience said to be typical of several hereabouts was narrated by E. L. Limbaugh, a tenant-farm manager for 30 years near Sikeston. He has a 339-acre farm, under high state of cultivation. Of this, 250 acres was in cotton last year.

"My average cotton planting was 200 acres during the base period", said Mr. Limbaugh. "I was entitled to 114 acres under the reduction plan, but they slashed me far below this.

"I have 35 people to feed, and if I had signed the share croppers would be cut out of work. So I told the A.A.A. to go to hell. I shore did. Now I've planted double the cotton allotment they wanted to give me. I'll pay the 6 cents a pound tax, and I'd rather do that than go into the Government deal, after they butchered me up."

"You talk like a Republican," interjected a bystander.

"There isn't a stronger Democrat in southeast Missouri than I am," retorted Mr. Limbaugh. "But the Government is dispossessing the share croppers by putting on the pressure. I kaint feed those 35 people if I sign a contract. It can't be done.

"So I'm going to take the hide with the taller, raise my cotton, and pay the penalty tax."

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2442. An act for the protection of the municipal water supply of the city of Salt Lake City, State of Utah;

S. 3114. An act to extend the times for commencing and completing the construction of certain bridges in the State of Oregon;

S. 3355. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone; and

H.R. 3673. An act to amend the law relative to citizenship and naturalization, and for other purposes.

PUGET SOUND BRIDGE, WASHINGTON

Mr. BONE. Mr. President, I ask unanimous consent for the immediate consideration of House bill 9530, which passed the House 2 or 3 days ago, and which grants the permission of Congress to Pierce County, in the State of Washington, to erect a bridge over a part of Puget Sound known as "The Narrows", a very narrow arm of water. It involves nothing but a mere permit and is revocable in its terms.

Mr. HARRISON. Mr. President, may I ask the Senator if it has the approval of the committee?

Mr. BONE. It has been reported favorably by the committee.

Mr. McNARY. Mr. President, I have investigated the matter and I have no objection.

The PRESIDING OFFICER (Mr. COPELAND in the chair). Is there objection to the immediate consideration of the bill?

There being no objection, the bill (H.R. 9530) granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows" was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows", at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

APPROPRIATION FOR ADMINISTRATION OF COTTON AND CATTLE ACTS

Mr. BANKHEAD. Mr. President, from the Committee on Appropriations I report back favorably, without amendment, the joint resolution (H.J.Res. 345) to provide funds to enable the Secretary of Agriculture to carry out the purposes of the acts approved April 21, 1934, and April 7, 1934, relating, respectively, to cotton and to cattle and dairy products, and for other purposes. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

Mr. McNARY. Mr. President, I understand this bill is designed to carry out an authorization heretofore provided.

Mr. BANKHEAD. That is correct.

Mr. McNARY. It carries an appropriation to meet an emergency situation?

Mr. BANKHEAD. That is true.

Mr. McNARY. I have discussed the matter with the Senator from Alabama and the Senator from North Dakota [Mr. NYE]. In view of Congress having expressed itself favorably, I have no objection to the immediate consideration of the joint resolution. I understand the bill was unanimously reported by the Committee on Appropriations.

Mr. BANKHEAD. That is correct.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That to enable the Secretary of Agriculture to carry out the purposes of the act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21,

1934, there is hereby appropriated and made available, pursuant to the authorizations contained in the said act, the funds available for carrying into effect the provisions of the Agricultural Adjustment Act, as amended, which shall be available for administrative and other expenses, and in addition thereto, the proceeds derived from the tax levied under said act of April 21, 1934, are hereby appropriated and made available for the purposes for which appropriations are authorized to be made under the provisions of section 16 (c) of said act: *Provided*, That the Secretary of Agriculture shall transfer to the Treasury Department and is authorized to transfer to other agencies out of funds hereby made available for carrying out said act of April 21, 1934, such sums as are required to carry out the provisions of said act, including administrative expenses and refunds of taxes.

To enable the Secretary of Agriculture to carry out the purposes of the act entitled "An act to amend the Agricultural Adjustment Act so as to include cattle and other products as basic agricultural commodities, and for other purposes" (Public, No. 142, 73d Cong.), approved April 7, 1934, there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, pursuant to the authorizations contained in sections 2 and 6 of said act of April 7, 1934, $100,000,000 for the purposes of the Agricultural Adjustment Act, as amended, and $50,000,000 for the purposes specified in section 6 of said act of April 7, 1934, including the employment of persons and means in the District of Columbia and elsewhere and other necessary expenses; in all, $150,000,000, to remain available until December 31, 1935.

The sum of $3,000 of the appropriation "Contingent expenses, House of Representatives: Folding documents, 1933 (03114)" is continued and made available for the same purposes during the fiscal year 1934.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. McNARY. Mr. President, is the Senator in charge of the bill willing to recess at this time until 11 o'clock tomorrow morning?

Mr. HARRISON. Mr. President, I have been very hopeful that we might proceed until 7 o'clock tonight. I can appreciate the Senator's feeling about the matter, and I appreciate my own feeling about it as well. Since we met at 11 o'clock this morning a good deal of the time of the Senate has been devoted to another subject than the bill which is the unfinished business. We have made very little actual progress. If we are going to reach any conclusion on the bill, we must have the set speeches delivered and out of the way. Senators have a right to make set speeches, of course. I do not want to forestall any Senator from making any speech he may desire.

I had very much hoped that we could get a vote on the bill by Friday of this week, so that when we might recess over the weekend. Of course, if we cannot get a vote by Friday, we shall have to remain in session Saturday. We certainly never will pass the bill unless we stay here and get the long speeches out of the way. I had hoped that we might proceed until at least 7 o'clock tonight and then meet early tomorrow, unless we could reach a unanimous-consent agreement to limit debate on the bill.

Today is Wednesday. If we could have a unanimous-consent agreement that beginning Friday when the Senate convenes debate on any amendment shall be limited to 15 minutes and on the bill to 30 minutes, and that no Senator shall be permitted to speak more than once on the bill or any amendment, I think we could get rid of the set speeches tomorrow, and that would not curtail any Senator in the matter of time. Each Senator would have 45 minutes to discuss the bill. I am hopeful the Senator from Oregon will agree to such an arrangement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

Mr. HARRISON. I have not as yet submitted the request.

Mr. McNARY. It was merely an observation or an expression of a hope.

I appreciate the Senator's anxiety to conclude the argument and to place the bill on its final passage. He has been very patient and always accommodating. There are very few Senators here at this time. It is now 5:45 o'clock. We convened this morning at 11 o'clock. I could not enter into a unanimous-consent agreement because of the absence of two or three Senators on this side of the Chamber who by tomorrow will have their speeches ready for delivery. After general discussion of the subject matter shall have been concluded, I shall be very glad to consider a unanimous-consent agreement limiting debate on the bill and amendments. However, in view of the lateness of the hour and the fact that several Senators have had to leave in order to keep engagements, I hope the Senator will consent to recess at this time until 11 o'clock tomorrow morning.

Mr. HARRISON. How many more speeches are to be made on the Senator's side of the Chamber?

Mr. McNARY. I have no desire to conceal anything from the Senator from Mississippi. I think the Senator from Iowa [Mr. DICKINSON] has a speech which will probably take an hour and a half. The Senator from Missouri [Mr. PATTERSON] has a speech which will probably take an hour or an hour and a half to deliver. The Senator from Delaware [Mr. HASTINGS] will have a speech that will probably require 2 hours to deliver. Beyond that I know of no other set speeches. When those Senators shall have had an opportunity to present their views I shall very gladly, and I hope favorably, consider a limitation of debate. The Senator from West Virginia [Mr. HATFIELD] also has a speech to make.

Mr. HARRISON. The Senator from West Virginia who just concluded a speech?

Mr. McNARY. Yes; he has a speech in relation to the chemical industry.

Mr. ROBINSON of Arkansas. Mr. President, does the Senator from Oregon feel in all probability that it will be possible sometime tomorrow to reach an agreement for limitation of debate?

Mr. McNARY. If the debate proceeds in an orderly fashion and opportunity is given to Members to make their speeches, I shall be glad to consider, later in the day or tomorrow, such a proposal. I am not saying that I shall consent. It depends on whether Senators have an opportunity to give full expression to their views. I hope we may at a very early time reach such an agreement.

Mr. HARRISON. Does the Senator think it is possible to conclude consideration of the bill Friday?

Mr. McNARY. I have looked over the amendments, of which there are 24. In view of the amendments and the speeches to be made tomorrow, I doubt if we can finish Friday.

Mr. HARRISON. Does the Senator think we can get through at least by Saturday?

Mr. McNARY. The Senator is not a very good witness. The Senator from Pennsylvania [Mr. REED] is absent and there are other Senators who want to discuss some of the amendments. I have asked how long they want to discuss the bill or the amendments, and I hope it can be done under limitation of time. That is as far as I think I can go, and as far as the Senator from Mississippi should wish me to go.

Mr. HARRISON. I do not want to ask the Senator any impertinent question.

Mr. McNARY. The Senator has not done so.

Mr. HARRISON. I am extremely anxious to finish consideration of the bill this week.

Mr. McNARY. I am extremely anxious to be frank about the matter. I hope the Senate will now recess until 11 o'clock tomorrow morning.

Mr. HARRISON. There is quite a backfire upon my side of the Chamber about the management of the bill and possible lack of expedition in its consideration.

Mr. McNARY. I should be glad to cooperate with the Senator to control that backfire. [Laughter.]

Mr. HARRISON. It is pretty hard to control. However, in view of what the Senator from Oregon has said, I shall not object to a recess until 11 o'clock tomorrow morning.

CONTROL OF CHINCH BUGS

Mr. CLARK. Mr. President, day before yesterday, on behalf of the Senator from Iowa [Mr. MURPHY] and myself, I introduced a joint resolution (S.J.Res. 126) to provide funds to enable the Secretary of Agriculture to cooperate with States in control of chinch bugs, and obtained an order for it to lie on the table in the hope that, because of its important character, I might obtain unanimous consent for its early consideration.

I have become convinced that the joint resolution should go to the appropriate committee, in view of the fact that it carries an appropriation of $1,000,000. I, therefore, ask unanimous consent for its reference to the appropriate committee.

Mr. ROBINSON of Arkansas. Mr. President, the joint resolution appears to carry an appropriation.

Mr. CLARK. It does.

Mr. ROBINSON of Arkansas. It is not merely an authorization There is no authorization for it, is there?

Mr. CLARK. It is an emergency joint resolution. My thought was that it should go to the Committee on Appropriations, although I am not certain about the reference.

Mr. McNARY. What is the request of the Senator from Missouri?

Mr. CLARK. I asked unanimous consent, day before yesterday, that the joint resolution lie on the table. I now request that it be referred to the appropriate committee.

The PRESIDING OFFICER. If there is no objection, the joint resolution will be referred to the Committee on Appropriations.

RULES IN ACTIONS AT LAW

Mr. ASHURST. Mr. President, I should be lacking in grace and deficient as to gratitude if I failed to make expression of appreciation of the valuable and timely assistance rendered by the able Senator from Arkansas [Mr. ROBINSON], the majority leader, and the able Senator from Oregon [Mr. McNARY], the minority leader, in the passage of what is called the "antigangster legislation."

Presuming further upon those two Senators and upon the Senate, I ask unanimous consent for the consideration of Senate bill 3040, a bill considered by the Senate Committee on the Judiciary and unanimously reported favorably.

It is a bill giving the Supreme Court of the United States power to make and publish rules in actions at law. It does not deprive any State or any citizen of any vital right.

Mr. ROBINSON of Arkansas. Mr. President, for many years the Supreme Court has exercised the right to make uniform rules for the regulation of practice in equity.

Mr. ASHURST. That is true.

Mr. ROBINSON of Arkansas. The provisions of this bill have been recommended by the American Bar Association and by other authorities familiar with the subject for a good many years.

Mr. ASHURST. That is also true.

It will be remembered that the Prince of Denmark, in recounting some things that made life wearisome, mentioned "the law's delay." This bill will eliminate a good portion, but, of course, not all of the law's delay.

Mr. JOHNSON. Mr. President, do I understand that this bill emanates from the Supreme Court and has the approval of its judges?

Mr. ASHURST. I am sure the Supreme Court would approve.

Mr. JOHNSON. One of the recommendations suggested does not commend itself to me greatly, and that is the reason why I made the query.

Mr. FESS. Is the report a unanimous one?

Mr. ASHURST. Yes.

I ask that the letter of the Attorney General be read.

The PRESIDING OFFICER. Without objection, the letter will be read.

The Chief Clerk read as follows:

DEPARTMENT OF JUSTICE,
Washington, D.C., March 1, 1934.

Hon. HENRY F. ASHURST,
Chairman Committee on the Judiciary,
United States Senate, Washington, D.C.

MY DEAR SENATOR: I enclose herewith a draft of a bill to empower the Supreme Court of the United States to prescribe rules to govern the practice and procedure in civil actions at law in the district courts of the United States and the courts of the District of Columbia. The enactment of this bill would bring about uniformity and simplicity in the practice in actions at law in Federal courts and thus relieve the courts and the bar of controversies and difficulties which are continually arising wholly apart from the merits of the litigation in which they are interested. It seems to me that there can be no substantial objection to the enactment of a measure which would produce so desirable a result, which, apart from its inherent merit, would also, it is believed, contribute to a reduction in the cost of litigation in the Federal courts.

I request that you introduce the enclosed bill and hope that you may be able to give it your support.

Sincerely yours,

HOMER CUMMINGS, *Attorney General.*

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3040) to give the Supreme Court of the United States authority to make and publish rules in actions at law, which was read, as follows:

Be it enacted, etc., That the Supreme Court of the United States shall have the power to prescribe, by general rules, for the district courts of the United States and for the courts of the District of Columbia, the forms of process, writs, pleadings, and motions, and the practice and procedure in civil actions at law. Said rules shall neither abridge, enlarge, nor modify the substantive rights of any litigant. They shall take effect 6 months after their promulgation, and thereafter all laws in conflict therewith shall be of no further force or effect.

SEC. 2. The Court may at any time unite the general rules prescribed by it for cases in equity with those in actions at law so as to secure one form of civil action and procedure for both: *Provided, however*, That in such union of rules the right of trial by jury as at common law and declared by the seventh amendment to the Constitution shall be preserved to the parties inviolate. Such united rules shall not take effect until they shall have been reported to Congress by the Attorney General at the beginning of a regular session thereof and until after the close of such session.

Mr. ADAMS. Mr. President, I wish to inquire of the Senator from Arizona whether or not this bill provides, or intends to provide, that the present practice in Federal courts in actions at law in which State procedure now governs is to be supplanted by rules of the Supreme Court, so that the lawyers in the various States who have some familiarity with State practice in actions at law will be forced to engage in additional studies to find out whether or not they may safely proceed in actions in the Federal courts.

Mr. ASHURST. No distinction is made in some States between a case at law and a case in equity. This bill is for the purpose of granting the Supreme Court of the United States the right and power to make general rules for the district courts of the United States and for the courts of the District of Columbia with respect to forms of process, pleadings, writs, and motions in civil actions. It does not in any sense destroy or abridge any right or any statute of any State. It does seek to secure some sort of uniformity in law cases in the Federal courts, as has been accomplished in equity cases.

Before the able Senator from Colorado came into the Chamber, I mentioned that one of the things recounted by Hamlet that made life not worth the living was "the law's delay." It is the opinion of the Committee on the Judiciary, as is also the opinion of the Attorney General, that no person will be deprived by the bill of any substantial right. It will tend to simplify and make uniform the pleadings and practice in law cases, and the Supreme Court of the United States will have the power to promulgate rules.

Manifestly, the Supreme Court of the United States could not make a rule that would violate any law of any State or of the United States. I hope the able Senator from Colorado will not object to the consideration of the bill. It is recommended by the Senate Committee on the Judiciary, and was drafted partly, if not wholly, by the Attorney General.

Mr. ADAMS. Mr. President, I find myself forced to withdraw my personal judgment on the matter in my deep awe and respect for the Chairman of the Judiciary Committee, but my judgment is that the lawyers in the smaller communities who practice only occasionally in the Federal courts will regret the passage of the bill.

Mr. ASHURST. I shall ask them to take their revenge on me, then, and on the Department of Justice instead of on the Senator from Colorado. I believe that the bill is an advance. Lawyers, among all the people in our country, must not be the last to make advance. We are trying to simplify procedure.

I am grateful to the Senator for withdrawing his personal objection.

Mr. ADAMS. I could not maintain an objection in the face of the arguments advanced by the distinguished Senator from Arizona.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. COPELAND in the chair) laid before the Senate a message from the President of the United States submitting nominations of sundry postmasters, which was referred to the Committee on Post Offices and Post Roads.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the calendar.

THE CALENDAR—TREATIES

The PRESIDING OFFICER. The calendar is in order.

The legislative clerk proceeded to read Executive D, Seventy-third Congress, second session, a treaty of friendship, commerce, and consular rights between the United States and the Republic of Finland, signed at Washington, February 13, 1934.

Mr. ROBINSON of Arkansas. The treaties may go over, Mr. President.

The PRESIDING OFFICER. The treaties will be passed over.

TREASURY DEPARTMENT

The legislative clerk read the nomination of Robert H. Jackson, of Jamestown, N.Y., to be Assistant General Counsel for the Bureau of Internal Revenue.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. HARRISON. I ask that the President be notified of the confirmation of Mr. Jackson's nomination.

The PRESIDING OFFICER. Without objection, the President will be notified.

THE JUDICIARY

The legislative clerk read the nomination of R. Kenneth Kerr to be United States Marshal, Southern District of Ohio.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE NAVY.

The legislative clerk proceeded to read the nominations of sundry officers in the Navy.

Mr. ROBINSON of Arkansas. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, they will be confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 50 minutes p.m.) the Senate took a recess until tomorrow, Thursday, May 24, 1934, at 11 o'clock a.m.

NOMINATIONS

Nominations received by the Senate May 23 (legislative day of May 10), 1934

POSTMASTERS

ALABAMA

William B. Wilder to be postmaster at Andalusia, Ala., in place of J. F. Brawner. Incumbent's commission expired March 8, 1934.

Leroy McEntire to be postmaster at Decatur, Ala., in place of L. R. Day, removed.

Mim C. Farish to be postmaster at Grove Hill, Ala., in place of T. A. Carter, removed.

Roy J. Ellison to be postmaster at Loxley, Ala., in place of R. M. Mahler. Incumbent's commission expired March 8, 1934.

Craig Smith Robbins to be postmaster at Selma, Ala., in place of Robert Patterson. Incumbent's commission expired March 8, 1934.

Annie H. Townsend to be postmaster at Tuscaloosa, Ala., in place of J. F. Morton. Incumbent's commission expired February 2, 1933.

ALASKA

Emil O. Bergman to be postmaster at Fort Yukon, Alaska, in place of E. O. Bergman. Incumbent's commission expires May 29, 1934.

ARKANSAS

William I. Fish to be postmaster at Dumas, Ark., in place of W. I. Fish. Incumbent's commission expires May 29, 1934.

Byron P. Jarnagin to be postmaster at Waldo, Ark., in place of M. L. Beeson. Incumbent's commission expired January 9, 1934.

CALIFORNIA

Carl W. Brenner to be postmaster at Buena Park, Calif., in place of I. D. Jaynes. Incumbent's commission expired February 10, 1934.

Frances L. Williams to be postmaster at Fall Brook, Calif., in place of Bert Woodbury. Incumbent's commission expired December 18, 1933.

Percy H. Millberry to be postmaster at Lakeport, Calif., in place of G. F. Russell. Incumbent's commission expired March 3, 1931.

Phillip J. Dougherty to be postmaster at Monterey, Calif., in place of J. L. Steward, removed.

James R. Wilson to be postmaster at Sacramento, Calif., in place of H. J. McCurry, resigned.

Harold B. Lull to be postmaster at South Gate, Calif., in place of C. G. Huntington. Incumbent's commission expired September 30, 1933.

Charles E. Conner to be postmaster at Torrance, Calif., in place of Alfred Gourdier, removed.

Roy Bucknell to be postmaster at Upper Lake, Calif., in place of Roy Bucknell. Incumbent's commission expired May 7, 1934.

John J. Madigan to be postmaster at Vallejo, Calif., in place of H. F. Stahl, removed.

COLORADO

Ida S. Faires to be postmaster at Alma, Colo. Office became presidential July 1, 1933.

Thomas E. Sexton to be postmaster at Buena Vista, Colo., in place of S. E. Mear. Incumbent's commission expired December 18, 1932.

Michael J. Brennan to be postmaster at Durango, Colo., in place of J. H. McDevitt, Jr. Incumbent's commission expired December 16, 1933.

Ithal Jenkins to be postmaster at Eads, Colo., in place of W. V. Kerr, removed.

Melvin F. Hofstetter to be postmaster at Hayden, Colo., in place of B. T. Shelton. Incumbent's commission expired April 28, 1934.

Robert R. Menhennett to be postmaster at Kremmling, Colo., in place of C. C. Eastin. Incumbent's commission expired January 28, 1934.

Carlos M. Wilson to be postmaster at La Junta, Colo., in place of R. G. Dalton. Incumbent's commission expired February 25, 1934.

William H. Harkrader to be postmaster at Las Animas, Colo., in place of J. W. Moore, deceased.

Gus C. Flake to be postmaster at Manitou, Colo., in place of J. W. Noble, retired.

Grover C. Huffnagle to be postmaster at Ridgway, Colo., in place of C. A. McLean. Incumbent's commission expired September 18, 1933.

James F. North to be postmaster at Rocky Ford, Colo., in place of M. J. Anderson, deceased.

Charles L. Dickson to be postmaster at Westcliffe, Colo., in place of J. C. Callaghan, deceased.

DELAWARE

Cyrus E. Rittenhouse to be postmaster at Newark, Del., in place of W. H. Evans, resigned.

GEORGIA

Leila W. Maxwell to be postmaster at Danville, Ga., in place of L. W. Maxwell. Incumbent's commission expires June 4, 1934.

Elbert L. Fagan to be postmaster at Fort Valley, Ga., in place of F. W. Withoft. Incumbent's commission expired April 22, 1934.

Herman C. Titshaw to be postmaster at Pitts, Ga., in place of P. C. McAllister. Incumbent's commission expired March 8, 1934.

Nettie H. Woolard to be postmaster at Sylvester, Ga., in place of U. C. Combs. Incumbent's commission expired September 30, 1933.

Cecil F. Aultman to be postmaster at Warwick, Ga., in place of I. M. Whitfield. Incumbent's commission expired April 28, 1934.

IDAHO

William Schlick to be postmaster at Burley, Idaho, in place of C. M. Oberholtzer. Incumbent's commission expired March 8, 1934.

Mary P. Kelley to be postmaster at Kuna, Idaho, in place of L. B. Young. Incumbent's commission expired January 11, 1934.

Ezekiel Holman to be postmaster at Sugar, Idaho, in place of Christian Schwendiman. Incumbent's commission expired February 25, 1934.

Edwin N. Kearsley to be postmaster at Victor Idaho, in place of A. T. Moulton. Incumbent's commission expired December 10, 1932.

ILLINOIS

Gilbert C. Jones to be postmaster at Albion, Ill., in place of J. R. Funkhouser, resigned.

Ralph McLaughlin to be postmaster at Baylis, Ill., in place of G. E. Stauffer, Jr., removed.

Marvin G. Diveley to be postmaster at Brownstown, Ill., in place of H. M. Brown, removed.

Clyde P. Stone to be postmaster at Carmi, Ill., in place of Newton Arbaugh, resigned.

Clason W. Black to be postmaster at Clay City, Ill., in place of J. A. Bateman. Incumbent's commission expired January 16, 1934.

Mary J. Comstock to be postmaster at Dieterich, Ill., in place of H. M. Fritscher. Incumbent's commission expired February 14, 1934.

Ira D. Hogue to be postmaster at Dongola, Ill., in place of N. T. Lawrence. Incumbent's commission expired February 8, 1933.

Beryl J. Donaldson to be postmaster at Farina, Ill., in place of G. S. Wade, resigned.

Margaret Echols to be postmaster at Flossmoor, Ill., in place of W. J. Fagan, removed.

Harld E. Young to be postmaster at Mounds, Ill., in place of G. T. Schuler, removed.

Paul B. Laugel to be postmaster at Newton, Ill., in place of E. F. Gorrell. Incumbent's commission expired February 6, 1934

Paul R. Smoot to be postmaster at Petersburg, Ill., in place of W. T. Beekman, transferred.

Martin J. Naylon to be postmaster at Polo, Ill., in place of A. S. Tavenner. Incumbent's commission expired December 18, 1933.

Floyd J. Tilton to be postmaster at Rochelle, Ill., in place of W. J. Huston. Incumbent's commission expired December 18, 1933.

Alva M. Clavin to be postmaster at Sterling, Ill., in place of H. E. Ward, removed.

James E. Heflin to be postmaster at Versailles, Ill., in place of R. C. Tarrant. Incumbent's commission expired April 16, 1934.

Melvin Higgerson to be postmaster at West Frankfort, Ill., in place of W. A. Kelly, removed.

INDIANA

Grover C. Rainbolt to be postmaster at Corydon, Ind., in place of R. E. Black, resigned.

Oscar J. Sauerman to be postmaster at Crown Point, Ind., in place of F. Y. Wheeler. Incumbent's commission expired December 18, 1933.

William W. McCleary to be postmaster at Elberfeld, Ind., in place of C. C. Nicholson, resigned.

Henry M. Mayer to be postmaster at Evansville, Ind., in place of C. G. Covert. Incumbent's commission expired December 19, 1931.

William L. Eastin to be postmaster at Ewing, Ind., in place of O. O. Brown, resigned.

Chester Wagoner to be postmaster at Flora, Ind., in place of G. M. Jordan. Incumbent's commission expired March 8, 1934.

Joseph E. Mellon to be postmaster at Hobart, Ind., in place of H. O. Carlson. Incumbent's commission expired September 18, 1933.

Walter E. Wehmeyer to be postmaster at Kendallville, Ind., in place of H. D. Bodenhafer. Incumbent's commission expired January 19, 1933.

Edwin W. Hanley to be postmaster at Michigan City, Ind., in place of F. H. Ahlgrim, removed.

William S. Darneal to be postmaster at New Albany, Ind., in place of T. J. Jackson, removed.

Gordon B. Olvey to be postmaster at Noblesville, Ind., in place of C. J. Wheeler, removed.

William N. Burns to be postmaster at Otterbein, Ind., in place of Harry Kretschman. Incumbent's commission expired April 16, 1934.

Charles O. Hall to be postmaster at Sullivan, Ind., in place of R. P. White, removed.

Henry Backes to be postmaster at Washington, Ind., in place of J. E. Pershing. Incumbent's commission expired April 8, 1934.

Oscar M. Shively to be postmaster at Yorktown, Ind., in place of Mark Broadwater. Incumbent's commission expired December 13, 1932.

Bessie D. Perkins to be postmaster at Whiteland, Ind., in place of J. M. Hill. Incumbent's commission expired December 13, 1932.

IOWA

Hans E. Eiel to be postmaster at Buffalo Center, Iowa, in place of E. B. Sparks. Incumbent's commission expired March 18, 1934.

Clifford A. Brause to be postmaster at Denver, Iowa, in place of J. F. Schoof, removed.

Clara E. Kennedy to be postmaster at Estherville, Iowa, in place of F. A. Robinson. Incumbent's commission expired January 31, 1934.

Eva Keith to be postmaster at Goldfield, Iowa, in place of Eva Keith. Incumbent's commission expired March 18, 1934.

Frank Proescholdt to be postmaster at Manilla, Iowa, in place of Lynn McCracken, resigned.

Elmer D. Bradley to be postmaster at Missouri Valley, Iowa, in place of E. M. Rhodabeck. Incumbent's commission expired February 28, 1933.

Mark F. Hogan to be postmaster at Monticello, Iowa, in place of George Guyan, deceased.

Vane E. Herbert to be postmaster at Storm Lake, Iowa, in place of J. A. Schmitz, resigned.

John F. Taylor to be postmaster at Villisca, Iowa, in place of H. D. Peckham, transferred.

Myrtle Ruth Lash to be postmaster at What Cheer, Iowa, in place of R. H. Bedford. Incumbent's commission expired January 31, 1934.

KANSAS

Nell C. Graves to be postmaster at Columbus, Kans., in place of N. W. Huston. Incumbent's commission expired January 11, 1934.

Rosa B. Blaine to be postmaster at Copeland, Kans., in place of F. D. Bush. Incumbent's commission expired December 16, 1933.

Arch E. Hosmer to be postmaster at Holton, Kans., in place of W. T. Beck. Incumbent's commission expired December 19, 1931.

Bryan F. Scarborough to be postmaster at Iola, Kans., in place of C. O. Bollinger, removed.

Edward W. Shiney to be postmaster at McCracken, Kans., in place of R. C. Mortimer, removed.

Eunice E. Buche to be postmaster at Miltonvale, Kans., in place of M. W. Covey. Incumbent's commission expired March 18, 1934.

Caroline Doerschlag to be postmaster at Ransom, Kans., in place of J. H. Sunley. Incumbent's commission expired December 16, 1933.

Henry F. Dodson to be postmaster at South Haven, Kans., in place of B. W. Ruthrauff. Incumbent's commission expired December 16, 1933.

KENTUCKY

Richard W. Wilson to be postmaster at Elizabethtown, Ky., in place of M. W. Barnes, transferred.

Frances W. Lyell to be postmaster at Hickory, Ky., in place of Nell Hooker. Incumbent's commission expired December 16, 1933.

Omer W. Cleek to be postmaster at Walton, Ky., in place of R. M. Tewell, removed.

LOUISIANA

James R. Wooten to be postmaster at Monroe, La., in place of A. A. Thoman. Incumbent's commission expired December 19, 1932.

Jerome A. Gilbert to be postmaster at Tallulah, La., in place of W. B. Eisely, removed.

MAINE

Lee M. Rowe to be postmaster at Bryant Pond, Maine, in place of F. M. Cole. Incumbent's commission expired January 8, 1934.

Anna M. McLaughlin to be postmaster at Dryden, Maine, in place of E. S. Maddocks. Incumbent's commission expired April 16, 1934.

George L. Hawes to be postmaster at East Corinth, Maine, in place of A. D. Clark. Incumbent's commission expired January 16, 1934.

Lillian L. Guptill to be postmaster at Newcastle, Maine, in place of L. L. Guptill. Incumbent's commission expired May 9, 1934.

Edward J. McKay to be postmaster at North Jay, Maine, in place of B. E. Davidson, resigned.

Howard H. Herrick to be postmaster at Rangeley, Maine, in place of H. V. Kimball, resigned.

Fred T. Eaton to be postmaster at York Harbor, Maine, in place of W. F. Putnam. Incumbent's commission expired January 16, 1934.

MASSACHUSETTS

John E. Mansfield to be postmaster at Bedford, Mass., in place of H. E. Pfeiffer. Incumbent's commission expired December 16, 1933.

William F. Leonard to be postmaster at Nantasket Beach, Mass., in place of F. M. Reynolds, Jr. Incumbent's commission expired December 16, 1933.

James B. Logan to be postmaster at North Wilbraham, Mass., in place of J. B. Logan. Incumbent's commission expired January 8, 1934.

Harvey E. Lenon to be postmaster at Swansea, Mass., in place of E. A. Thurston. Incumbent's commission expired December 16, 1933.

Benjamin R. Gifford to be postmaster at Woods Hole, Mass., in place of B. R. Gifford. Incumbent's commission expired May 16, 1934.

MICHIGAN

Henry I. Bourns to be postmaster at Adrian, Mich., in place of F. A. Acker. Incumbent's commission expired December 16, 1933.

Arthur Little to be postmaster at Cass City, Mich., in place of Euphemia Hunter. Incumbent's commission expired December 8, 1932.

John G. Watson to be postmaster at Colon, Mich., in place of E. A. Lake. Incumbent's commission expired December 16, 1933.

T. Theodore Hurja to be postmaster at Crystal Falls, Mich., in place of J. R. Flood, removed.

William De Kuiper to be postmaster at Fremont, Mich., in place of A. I. Miller, transferred.

Edward J. Talbot to be postmaster at Manistee, Mich., in place of J. A. Meier. Incumbent's commission expired January 28, 1934.

Edwin C. Kraft to be postmaster at Nashville, Mich., in place of R. E. Surine, removed.

Hallie C. Bunting to be postmaster at Port Hope, Mich., in place of H. A. Dickinson, removed.

William M. Zeitler to be postmaster at Republic, Mich., in place of C. W. Munson. Incumbent's commission expired January 28, 1934.

Mildred E. Walsh to be postmaster at St. Charles, Mich., in place of May Rowley. Incumbent's commission expired January 28, 1934.

Floyd H. Leach to be postmaster at Scotts, Mich., in place of G. E. Gibson. Incumbent's commission expired December 16, 1933.

Gordon W. Huffman to be postmaster at Tustin, Mich., in place of Olof Brink. Incumbent's commission expired December 16, 1933.

Leo M. Neubecker to be postmaster at Weidman, Mich., in place of M. O. Wolfe. Incumbent's commission expired December 16, 1933.

MINNESOTA

John Kasper to be postmaster at Faribault, Minn., in place of N. S. Erb. Incumbent's commission expired December 20, 1932.

James M. Brennan to be postmaster at Hinckley, Minn., in place of M. C. Noble. Incumbent's commission expired March 8, 1934.

Carl H. Ruhberg to be postmaster at Storden, Minn., in place of E. S. Engelsen. Incumbent's commission expired December 18, 1933.

Margaret J. McGarry to be postmaster at Walker, Minn., in place of Arthur McBride, deceased.

Einar C. Wellin to be postmaster at Willmar, Minn., in place of E. A. Peterson. Incumbent's commission expired March 3, 1931.

MISSISSIPPI

Rex R. Ray to be postmaster at Canton, Miss., in place of T. W. Maxwell, retired.

Beula P. Herrington to be postmaster at Mount Olive, Miss., in place of B. G. Byrd. Incumbent's commission expired October 2, 1933.

MISSOURI

Leila F. Hughes to be postmaster at Adrian, Mo., in place of L. F. Wagy, removed.

Owen W. Anglum to be postmaster at Ash Grove, Mo., in place of L. C. Snoddy. Incumbent's commission expired April 8, 1934.

Richard W. Marsden to be postmaster at De Soto, Mo., in place of H. A. Seemel. Incumbent's commission expired March 8, 1934.

Anvil A. Lewis to be postmaster at Eminence, Mo., in place of R. E. Carr, resigned.

William H. Titus to be postmaster at Excelsior Springs, Mo., in place of H. H. Morse, resigned.

Garnett S. Cannon to be postmaster at Fornfelt, Mo., in place of M. A. Schriefer, removed.

Robert R. Kier to be postmaster at Grant City, Mo., in place of Denver Johnston. Incumbent's commission expired April 8, 1934.

Fred E. Ream to be postmaster at Green Ridge, Mo., in place of L. E. Nicholson. Incumbent's commission expired April 8, 1934.

Harrison S. Welch to be postmaster at Higbee, Mo., in place of Leonard Ancell. Incumbent's commission expired May 13, 1934.

Fred J. Yeomans to be postmaster at Hopkins, Mo., in place of W. L. Moorhead, removed.

Eugene J. Echterling to be postmaster at Parnell, Mo., in place of E. A. Burch. Incumbent's commission expired April 8, 1934.

Ernest C. Buehler to be postmaster at South St. Joseph, Mo., in place of Harry Korf. Incumbent's commission expired March 3, 1931.

John H. Dickbrader to be postmaster at Washington, Mo., in place of O. F. Schulte. Incumbent's commission expired March 18, 1934.

MONTANA

Ludwig S. Rigler to be postmaster at East Helena, Mont., in place of A. L. Cory. Incumbent's commission expired December 18, 1932.

NEBRASKA

Albin J. Kriz to be postmaster at Brainard, Nebr., in place of A. J. Fials. Incumbent's commission expired December 30, 1932.

Harry Boesen to be postmaster at Cairo, Nebr., in place of L. M. Baird. Incumbent's commission expired December 20, 1932.

Curtis B. Benger to be postmaster at Callaway, Nebr., in place of M. T. Douglass, removed.

Roy E. Sheffer to be postmaster at Gering, Nebr., in place of J. N. Allison, removed.

Stanley R. Wheeler to be postmaster at Giltner, Nebr., in place of J. T. Bierbower. Incumbent's commission expired April 16, 1934.

Dorothy M. Porter to be postmaster at Haigler, Nebr., in place of E. T. Long. Incumbent's commission expired December 16, 1933.

Mary E. Krisl to be postmaster at Milligan, Nebr., in place of M. E. Krisl. Incumbent's commission expired May 29, 1934.

Henry C. Cope to be postmaster at Mitchell, Nebr., in place of A. B. Jones. Incumbent's commission expired December 16, 1933.

Stanton A. Troutman to be postmaster at Palisade, Nebr., in place of W. S. Tyler. Incumbent's commission expired January 28, 1934.

Mildred I. Onstot to be postmaster at Riverton, Nebr., in place of R. C. Shetler. Incumbent's commission expired April 16, 1934.

W. LeRoy Larson to be postmaster at Sidney, Nebr., in place of I. L. Pindell. Incumbent's commission expired December 16, 1933.

Margarete C. Phelps to be postmaster at Valentine, Nebr., in place of R. R. Brosius, transferred.

Edith C. Hackl to be postmaster at Wynot, Nebr., in place of E. B. Thompson. Incumbent's commission expired March 18, 1934.

NEVADA

Anne M. Holcomb to be postmaster at Battle Mountain, Nev., in place of A. M. Holcomb. Incumbent's commission expired May 20, 1934.

Roy T. Williams to be postmaster at Minden, Nev., in place of J. E. Drendel, resigned.

NEW HAMPSHIRE

George W. Moulton to be postmaster at Lisbon, N.H., in place of J. E. Collins. Incumbent's commission expired March 18, 1934.

NEW JERSEY

Leslie B. Vail to be postmaster at Hamburg, N.J., in place of F. H. Burgher. Incumbent's commission expired February 2, 1932.

Augustus J. Hans to be postmaster at Netcong, N.J., in place of W. E. Harbourt. Incumbent's commission expired January 16, 1934.

S. Dana Ely to be postmaster at Rutherford, N.J., in place of R. E. Rose, removed.

Leon P. Kays to be postmaster at Stanhope, N.J., in place of W. B. Lance. Incumbent's commission expired February 2, 1932.

Edward J. Lennon to be postmaster at Stone Harbor, N.J., in place of George Martin. Incumbent's commission expired November 12, 1933.

Franke Carter to be postmaster at Tenafly, N.J., in place of W. F. Bodecker, removed.

Clarence Smith to be postmaster at Woodstown, N.J., in place of F. K. Ridgway. Incumbents' commission expired January 28, 1934.

NEW MEXICO

Joseph H. Gentry to be postmaster at Fort Stanton, N.Mex., in place of J. H. Gentry. Incumbent's commission expired May 7, 1934.

NEW YORK

Francis J. Sinnott to be postmaster at Brooklyn, N.Y., in place of A. B. W. Firmin, transferred.

DeVerne A. Lewis to be postmaster at Canastota, N.Y., in place of J. H. Roberts. Incumbent's commission expired January 28, 1934.

Frank Brancato to be postmaster at Clinton Corners, N.Y., in place of O. M. Berrington. Incumbent's commission expired December 12, 1932.

Earl P. Talley to be postmaster at East Rochester, N.Y., in place of B. R. Erwin, deceased.

John J. McClory to be postmaster at Franklinville, N.Y., in place of F. H. Bacon. Incumbent's commission expired February 6, 1934.

James E. Burns to be postmaster at Glen Cove, N.Y., in place of H. L. Hedger, resigned.

Anna G. Prendergast to be postmaster at Hall, N.Y., in place of W. C. Mead. Incumbent's office expired January 30, 1933.

Frank H. Wood to be postmaster at Lake George, N.Y., in place of F. F. Hawley. Incumbent's commission expired February 6, 1934.

Allen J. C. Schmuck to be postmaster at Lawrence, N.Y., in place of E. J. O'Hara, removed.

Kathryn R. Fuselehr to be postmaster at Malverne, N.Y., in place of C. D. Drumm. Incumbent's commission expired April 22, 1934.

Milton S. Smith to be postmaster at Mayville, N.Y., in place of G. H. Fischer. Incumbent's commission expired December 16, 1933.

Theodore W. Cook to be postmaster at Montauk, N.Y., in place of T. W. Cook. Incumbent's commission expired April 22, 1934.

Francis G. Van Emmerik to be postmaster at Oakdale Station, N.Y. Office became presidential July 1, 1932.

Christopher C. King to be postmaster at Rockville Center, N.Y., in place of W. P. Lister, transferred.

Herbert Zahorik to be postmaster at Roscoe, N.Y., in place of W. B. Voorhees. Incumbent's commission expired February 14, 1934.

Edward D. Guyder to be postmaster at Weedsport, N.Y., in place of R. C. Kelsey, resigned.

Nora B. King to be postmaster at Woodbourne, N.Y., in place of N. M. Misner, removed.

NORTH CAROLINA

William R. Young to be postmaster at Badin, N.C., in place of R. C. Barker. Incumbent's commission expired December 20, 1932.

Joseph C. Peed to be postmaster at Creedmoor, N.C., in place of R. O. Smith. Incumbent's commission expired April 8, 1934.

William T. Culpepper to be postmaster at Elizabeth City, N.C., in place of J. A. Hooper. Incumbent's commission expired April 15, 1934.

Thomas T. Hollingsworth to be postmaster at Greenville, N.C., in place of H. R. Munford. Incumbent's commission expired March 22, 1934.

John E. Morris to be postmaster at Hertford, N.C., in place of J. P. Jessup. Incumbent's commission expired January 28, 1934.

Wightman C. Vick to be postmaster at Norwood, N.C., in place of M. C. Campbell, resigned.

NORTH DAKOTA

Mildred B. Johnson to be postmaster at Ashley, N.Dak., in place of J. N. McGogy. Incumbent's commission expired May 19, 1932.

Altha B. Waddell to be postmaster at Forbes, N.Dak., in place of E. A. Kingery, removed.

Max A. Wipperman to be postmaster at Hankinson, N.Dak., in place of W. C. Forman, Jr., deceased.

Richard J. Leahy to be postmaster at McHenry, N.Dak., in place of F. R. Cruden, removed.

John F. Swanston to be postmaster at McVille, N.Dak., in place of Carl Quanbeck. Incumbent's commission expired December 18, 1933.

John D. Prindiville to be postmaster at Rutland, N.Dak., in place of N. N. Prindiville. Incumbent's commission expired October 10, 1933.

OHIO

Carl L. Meloy to be postmaster at Garrettsville, Ohio, in place of C. M. Mott. Incumbent's commission expired February 6, 1934.

Duward B. Snyder to be postmaster at Grand Rapids, Ohio, in place of R. G. McWilliams. Incumbent's commission expired April 28, 1934.

Helen E. Dunn to be postmaster at Holland, Ohio, in place of A. H. Wood, removed.

Perry L. Heintz to be postmaster at Jackson Center, Ohio, in place of R. S. Nichols. Incumbent's commission expired December 16, 1933.

James H. Smith to be postmaster at Middleport, Ohio, in place of R. E. Powell. Incumbent's commission expired December 7, 1932.

Charles Fishley to be postmaster at Mineral City, Ohio, in place of C. L. Oberlin. Incumbent's commission expired April 28, 1934.

John H. H. Welsch to be postmaster at Port Washington, Ohio, in place of C. S. Kline. Incumbent's commission expired January 31, 1934.

Clara B. Dix to be postmaster at Prospect, Ohio, in place of C. V. Cope. Incumbent's commission expired January 22, 1934.

Edward T. Brighton to be postmaster at Sylvania, Ohio, in place of H. G. Randall. Incumbent's commission expired December 14, 1932.

Donald K. Studer to be postmaster at Whitehouse, Ohio, in place of A. C. Oberlitner. Incumbent's commission expired December 7, 1932.

OKLAHOMA

Erwin D. Keys to be postmaster at Earlsboro, Okla., in place of J. L. Bowen, removed.

Cyril M. Surry to be postmaster at Hartshorne, Okla., in place of M. L. Thompson, removed.

Gertrude Barker to be postmaster at Kaw, Okla., in place of W. J. Krebs. Incumbent's commission expired March 18, 1934.

Pearl Brazell to be postmaster at Lamont, Okla., in place of O. J. Bradfield. Incumbent's commission expired May 27, 1933.

Buford E. Stone to be postmaster at Manchester, Okla., in place of A. G. D. Elswick, resigned.

Dennis F. Almack to be postmaster at Moore, Okla., in place of M. S. Hewitt. Incumbent's commission expired January 20, 1934.

Guy B. Hilton to be postmaster at St. Louis, Okla., in place of Gail Lunsford. Incumbent's commission expired December 16, 1933.

Kib H. Warren to be postmaster at Shawnee, Okla., in place of F. S. Roodhouse. Incumbent's commission expired December 16, 1933.

William B. Wyly to be postmaster at Tahlequah, Okla., in place of G. F. Benge, deceased.

Charles A. Knight to be postmaster at Tecumseh, Okla., in place of H. H. McMahan. Incumbent's commission expired December 16, 1933.

OREGON

Robert H. Fox to be postmaster at Bend, Oreg., in place of L. B. Baird. Incumbent's commission expired December 7, 1932.

Joseph M. Buchanan to be postmaster at Crane, Oreg., in place of B. A. Bennett. Incumbent's commission expired February 28, 1933.

Claude H. Reavis to be postmaster at Enterprise, Oreg., in place of Ben Weathers. Incumbent's commission expired March 8, 1934.

Hiram J. Stillings to be postmaster at Hermiston, Oreg., in place of L. A. Phelps. Incumbent's commission expired January 26, 1933.

Margaret Marie Anderson to be postmaster at Jordan Valley, Oreg., in place of Theresa Scott. Incumbent's commission expired February 9, 1933.

May B. Johnson to be postmaster at Madras, Oreg., in place of W. R. Cook. Incumbent's commission expired January 4, 1932.

Henry Lloyd to be postmaster at Milton, Oreg., in place of W. R. Anderson. Incumbent's commission expired January 9, 1933.

Henry Alm to be postmaster at Silverton, Oreg., in place of R. G. Allen. Incumbent's commission expired February 6, 1934.

PENNSYLVANIA

Joseph R. McCrum to be postmaster at Alexandria, Pa., in place of J. B. Kean. Incumbent's commission expired January 14, 1933.

Arthur B. Clark to be postmaster at Altoona, Pa., in place of J. E. Brumbaugh, retired.

Oscar H. Stillwagon to be postmaster at Ambler, Pa., in place of F. C. Weber. Incumbent's commission expired February 20, 1933.

F. Joseph Roach to be postmaster at Bala-Cynwyd, Pa., in place of J. F. Dolan, Jr., removed.

James P. Bryan to be postmaster at Beaver, Pa., in place of J. H. Ammon, retired.

Harry E. Cuppett to be postmaster at Bedford, Pa., in place of William Brice, Jr., removed.

Wilson I. Shrader to be postmaster at Berwick, Pa., in place of W. C. Vought, removed.

Harry D. Kutz to be postmaster at Bethlehem, Pa., in place of R. K. Ritter, removed.

Elizabeth D. Bermingham to be postmaster at Blossburg, Pa., in place of H. S. Kiess. Incumbent's commission expired May 22, 1932.

George W. Goodley, Jr., to be postmaster at Boothwyn, Pa., in place of F. E. Sharpless. Incumbent's commission expired January 8, 1934.

Lewis M. Sutton to be postmaster at Camp Hill, Pa., in place of H. C. Fry, removed.

Francis P. Kelly to be postmaster at Carbondale, Pa., in place of H. G. Likeley. Incumbent's commission expired February 28, 1933.

Martin A. King to be postmaster at Clarks Summit, Pa., in place of L. W. Pentecost, removed.

Daniel Leffler to be postmaster at Clearfield, Pa., in place of C. E. Roseberry. Incumbent's commission expired April 11, 1932.

Joseph B. Roper to be postmaster at Coatesville, Pa., in place of Norman Baily, removed.

Clarence W. Scheuren to be postmaster at Collegeville, Pa., in place of H. D. Rushong. Incumbent's commission expired February 28, 1933.

James P. Meaney to be postmaster at Conshohocken, Pa., in place of H. M. Logan, removed.

George T. Kirkendall to be postmaster at Dallas, Pa., in place of R. S. Waters. Incumbent's commission expired May 23, 1932.

Charles L. Lehman to be postmaster at Devon, Pa., in place of M. G. Hallett, removed.

Robert Grant Furlong to be postmaster at Donora, Pa., in place of W. W. Weise. Incumbent's commission expired December 19, 1932.

Sylvester M. Considine to be postmaster at Drexel Hill, Pa., in place of L. M. Watkin, Jr., removed.

W. Fred Smith to be postmaster at Ephrata, Pa., in place of S. Y. Wissler. Incumbent's commission expired January 14, 1933.

Dominick Franceski to be postmaster at Forest City, Pa., in place of W. T. Davies, removed.

Neale Boyle to be postmaster at Freeland, Pa., in place of J. S. Crawford, removed.

Bernard A. Devlin to be postmaster at Jenkintown, Pa., in place of J. J. Wonderly, transferred.

John A. Eckert to be postmaster at Jersey Shore, Pa., in place of C. J. Levegood. Incumbent's commission expired January 29, 1933.

Robert E. Holland to be postmaster at Kane, Pa., in place of A. L. Evans, removed.

James A. Sproull to be postmaster at Leechburg, Pa., in place of S. J. McMains, deceased.

John C. Amig to be postmaster at Lewistown, Pa., in place of E. F. Brent, retired.

John A. Frazier to be postmaster at Liberty, Pa., in place of W. R. Miller. Incumbent's commission expired December 18, 1933.

John C. Tritch to be postmaster at Middletown, Pa., in place of W. F. Houser, Sr., removed.

Frank W. Cross to be postmaster at Milford, Pa., in place of W. G. Detrick. Incumbent's commission expired January 19, 1933.

James F. Boran to be postmaster at Minersville, Pa., in place of C. E. McGhee, removed.

William J. Burke to be postmaster at Mount Carmel, Pa., in place of A. R. Harris, removed.

James K. Wiley to be postmaster at Mount Union, Pa., in place of C. H. Welch, removed.

William G. Loy to be postmaster at Newport, Pa., in place of E. S. L. Soule. Incumbent's commission expired March 18, 1934.

Fred Favo to be postmaster at Oakmont, Pa., in place of B. P. Dawkins, removed.

Daniel A. Wieland to be postmaster at Palmyra, Pa., in place of T. E. Lerch. Incumbent's commission expired February 28, 1933.

Eli R. Diller to be postmaster at Paradise, Pa., in place of A. M. Lichty, removed.

William Leslie to be postmaster at Parkers Landing, Pa., in place of G. A. Needle. Incumbent's commission expired January 19, 1933.

John J. Borntrager to be postmaster at Pennsburg, Pa., in place of W. R. Schanley, retired.

Clair A. Wamsley to be postmaster at Phoenixville, Pa., in place of A. L. Coffman, resigned.

James H. Rattigan to be postmaster at Pottsville, Pa., in place of D. S. Gressang, retired.

Marie E. Potteiger to be postmaster at Progress, Pa. Office became Presidential July 1, 1932.

William J. Moran to be postmaster at Ralston, Pa., in place of F. R. Paris, resigned.

Paul A. Martin to be postmaster at Roaring Spring, Pa., in place of E. G. Carper, resigned.

Archer L. Laws to be postmaster at Sayre, Pa., in place of G. F. Carling, removed.

James A. Carney to be postmaster at Sharon Hill, Pa., in place of G. E. McGlennen, removed.

Enoch E. Lunquist to be postmaster at Sheffield, Pa., in place of M. H. Shick, resigned.

John E. Blair to be postmaster at Shippensburg, Pa., in place of W. C. Dubbs, removed.

Joseph Murray Gilliland to be postmaster at Snow Shoe, Pa., in place of W. A. Sickel, deceased.

Marie H. Bailie to be postmaster at Springdale, Pa., in place of C. F. Abel. Incumbent's commission expired December 18, 1933.

Edmond J. Holleran to be postmaster at Susquehanna, Pa., in place of M. F. O'Connell, transferred.

Alfred P. Smalley to be postmaster at Swarthmore, Pa., in place of V. S. Pownall, resigned.

John D. Cox to be postmaster at Tyrone, Pa., in place of H. L. Orr. Incumbent's commission expired December 18, 1932.

Edgar S. Thompson to be postmaster at Upper Darby, Pa., in place of C. B. Lessig. Incumbent's commission expired February 28, 1933.

Joseph P. Caufield to be postmaster at Verona, Pa., in place of J. C. McCurdy, removed.

Hazel B. Davis to be postmaster at Westfield, Pa., in place of L. E. Knapp, removed.

Emma R. Eakins to be postmaster at Wynnewood, Pa., in place of J. P. Kearney, removed.

PUERTO RICO

America R. de Graciani to be postmaster at Ensenada, P.R., in place of A. R. de Graciani. Incumbent's commission expired May 29, 1934.

SOUTH CAROLINA

Allie V. Collum, Jr., to be postmaster at Blackville, S.C., in place of C. J. Fickling, removed.

Curtis W. Dukes to be postmaster at Branchville, S.C., in place of J. M. Byrd. Incumbent's commission expired February 18, 1933.

Hattie C. Sherard to be postmaster at Calhoun Falls, S.C., in place of A. L. Dickson, removed.

Ollie W. Bowers to be postmaster at Central, S.C., in place of O. W. Bowers. Incumbent's commission expired June 4, 1934.

Basil T. Brinkley to be postmaster at Ellenton, S.C., in place of M. L. Bush, removed.

Rufus Ford, Jr., to be postmaster at Holly Hill, S.C., in place of W. B. Gross, deceased.

Edward H. Blackmon to be postmaster at Orangeburg, S.C., in place of A. D. Webster, removed.

Jack C. Pate to be postmaster at Sumter, S.C., in place of W. B. Daughtrey. Incumbent's commission expired March 8, 1934.

Jackson L. Flake to be postmaster at Swansea, S.C., in place of T. O. Lybrand, resigned.

SOUTH DAKOTA

William J. Nolan to be postmaster at Buffalo Gap, S.Dak., in place of M. T. Thompson. Incumbent's commission expired December 16, 1933.

William J. Gassen to be postmaster at Gregory, S.Dak., in place of P. J. Kleinjan, removed.

TENNESSEE

Cyril W. Jones to be postmaster at Athens, Tenn., in place of J. B. Elliott, removed.

Thomas D. Walker to be postmaster at Kerrville, Tenn., in place of T. D. Walker. Incumbent's commission expired May 16, 1934.

Raymond C. Townsend to be postmaster at Parsons, Tenn., in place of Terrell McIllwain. Incumbent's commission expired March 18, 1934.

Hal P. Cotten to be postmaster at Rives, Tenn., in place of J. O. Jennings. Incumbent's commission expired December 12, 1932.

TEXAS

Nat Shick to be postmaster at Big Spring, Tex., in place of E. E. Fahrenkamp. Incumbent's commission expired May 25, 1932.

Earnest N. Sowell to be postmaster at Elgin, Tex., in place of J. C. Miller. Incumbent's commission expired April 15, 1934.

Milton L. Burleson to be postmaster at El Paso, Tex., in place of H. C. Kramp. Incumbent's commission expired January 25, 1931.

Robert W. Klingelhoefer to be postmaster at Fredericksburg, Tex., in place of A. H. Kneese. Incumbent's commission expired April 15, 1934.

John M. Sharpe to be postmaster at Georgetown, Tex., in place of S. J. Enochs. Incumbent's commission expired March 18, 1934.

Swanee E. Willis to be postmaster at Monahans, Tex., in place of W. M. Casey. Incumbent's commission expired December 20, 1932.

Walter E. Shannon to be postmaster at North Zulch, Tex., in place of W. E. Shannon. Incumbent's commission expired May 9, 1934.

John W. Waide to be postmaster at Paint Rock, Tex., in place of J. W. Waide. Incumbent's commission expired May 9, 1934.

Oran W. Cliett to be postmaster at San Marcos, Tex., in place of J. M. Cape, deceased.

Willie R. Goodwin to be postmaster at Stinnett, Tex., in place of J. E. Early. Incumbent's commission expired May 31, 1933.

Hugh D. Burleson to be postmaster at Streetman, Tex., in place of H. D. Burleson. Incumbent's commission expired April 15, 1934.

Paul E. Jette to be postmaster at Wink, Tex., in place of O. G. Rudy. Incumbent's commission expired June 19, 1933.

VERMONT

George H. St. Pierre to be postmaster at Island Pond, Vt., in place of P. A. Bartlett. Incumbent's commission expired December 20, 1932.

Rosa M. Stewart to be postmaster at Tunbridge, Vt., in place of A. G. Folsom. Incumbent's commission expired March 8, 1934.

VIRGINIA

Charles M. Hutcheson to be postmaster at Charlotte Court House, Va., in place of M. I. Wight, removed.

Mary C. Lewis to be postmaster at Fort Eustis, Va., in place of M. C. Lewis. Incumbent's commission expired May 13, 1934.

Paul Scarborough to be postmaster at Franklin, Va., in place of E. A. De Bordenave, resigned.

Carolyn C. Bryant to be postmaster at Independence, Va., in place of P. L. Harrington, removed.

Frank L. Schofield to be postmaster at University of Richmond, Va., in place of F. L. Schofield. Incumbent's commission expires May 29, 1934.

Alice H. Tyler to be postmaster at Warsaw, Va., in place of F. J. Garland, resigned.

William Nelson Page to be postmaster at Winchester, Va., in place of H. C. Stouffer, retired.

VIRGIN ISLANDS

Alvaro de Lugo to be postmaster at St. Thomas, V.I., in place of E. S. Richardson, Jr., resigned.

WASHINGTON

Warren H. Perrigo to be postmaster at Arlington, Wash., in place of S. G. Buell, resigned.

Frank O. Keith to be postmaster at Battle Ground, Wash., in place of B. L. McCarty, resigned.

Walter V. Cowderoy to be postmaster at Blaine, Wash., in place of G. D. Montfort. Incumbent's commission expired April 16, 1934.

Joshua J. Peak to be postmaster at Davenport, Wash., in place of J. H. Berge, deceased.

Ralph H. Mitchell to be postmaster at Omak, Wash., in place of R. L. Wright, removed.

E. Morris Starrett to be postmaster at Port Townsend, Wash., in place of F. A. Iffland. Incumbent's commission expired January 26, 1933.

Paul Hamilton to be postmaster at Prosser, Wash., in place of W. C. Sommers. Incumbent's commission expired March 18, 1934.

Paul Rhodius to be postmaster at Sedro Woolley, Wash., in place of D. M. Donnelly. Incumbent's commission expired March 18, 1934.

George B. Day to be postmaster at Walla Walla, Wash., in place of C. F. Morrow. Incumbent's commission expired January 28, 1930.

WEST VIRGINIA

Thomas F. Ward to be postmaster at Keyser, W.Va., in place of P. J. Davis, resigned.

John A. Ball to be postmaster at Mullens, W.Va., in place of A. C. Early. Incumbent's commission expired March 8, 1934.

Henry S. Ellison to be postmaster at Union, W.Va., in place of W. H. Young. Incumbent's commission expired December 18, 1933.

WISCONSIN

Theodore E. Wozniak to be postmaster at Athens, Wis., in place of G. J. Chesak. Incumbent's commission expired December 19, 1933.

Alex G. Mohr to be postmaster at Cambria, Wis., in place of T. D. Morris. Incumbent's commission expired October 31, 1933.

Marie Gunn Dunham to be postmaster at Cumberland, Wis., in place of W. C. McMahon, removed.

Harry R. Olson to be postmaster at Grantsburg, Wis., in place of R. G. Lidbom. Incumbent's commission expired January 29, 1933.

May K. Powers to be postmaster at Lake Geneva, Wis., in place of M. D. Host. Incumbent's commission expired January 29, 1933.

Martin J. Bachhuber to be postmaster at Mayville, Wis., in place of Peter Mies. Incumbent's commission expired April 30, 1934.

Gaylord T. Thompson to be postmaster at Mercer, Wis., in place of L. A. Gehr. Incumbent's commission expired December 18, 1933.

Emil L. Silverness to be postmaster at Mondovi, Wis., in place of W. H. Smith. Incumbent's commission expired January 21, 1933.

Axel L. Olson to be postmaster at Mountain, Wis., in place of B. H. Piepenburg. Incumbent's commission expired January 18, 1933.

Albert T. Zieman to be postmaster at Randolph, Wis., in place of Herbert Hopkins. Incumbent's commission expired February 28, 1933.

Adelbert O. Randall to be postmaster at Rosendale, Wis., in place of W. T. Hoyt. Incumbent's commission expired March 22, 1934.

John P. Stier to be postmaster at Sussex, Wis. Office became Presidential July 1, 1933.

Alfred H. Hadler to be postmaster at Thiensville, Wis., in place of J. M. Albers, deceased.

Elmer A. Peterson to be postmaster at Walworth, Wis., in place of J. E. Robar. Incumbent's commission expired February 25, 1933.

John T. O'Sullivan to be postmaster at Washburn, Wis., in place of Alfred Froseth, resigned.

Winfield J. Kyes to be postmaster at White Lake, Wis., in place of W. J. Kyes. Incumbent's commission expired May 2, 1934.

WYOMING

William Thomas Scott to be postmaster at Gebo, Wyo., in place of B. G. Rodda, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 23 (legislative day of May 10), 1934

PROMOTIONS IN THE NAVY

TO BE LIEUTENANT COMMANDERS

Charles L. Andrews, Jr.
Henry L. Pitts.

TO BE PAYMASTERS

Frederick Schwab	John C. Poshepny
Leon I. Smith	Henry C. McGinnis
Harold E. Humphreys	Frank J. Manley
Hugh A. Phares	Percival F. Patten
Percy W. McCord	Michael A. Sprengel
Tipton F. Woodward	Chester B. Peake
George L. Thomas	

TO BE ASSISTANT GENERAL COUNSEL FOR THE BUREAU OF INTERNAL REVENUE

Robert H. Jackson

UNITED STATES MARSHAL

R. Kenneth Kerr to be United States marshal for the southern district of Ohio.

POSTMASTERS

ALABAMA

Ethel G. Liddell, Butler.
John T. Maddox, Vernon.

CONNECTICUT

Elizabeth J. Carris, Stepney Depot.

FLORIDA

Kathleen McCallum, Bay Harbor.
Nancy L. Mims, Deerfield.
J. Andrew Shelley, Palatka.
Ralph W. Hartman, Stuart.

GEORGIA

Thomas J. Hamilton, Augusta.
Theo B. Little, Cornelia.
Paul L. Miles, Metter.
Goodwin M. Barnes, Midville.

IDAHO

Clellan W. Bentley, Mullan.
Wando J. Andrasen, St. Anthony.

INDIANA

Leo McGrath, Fowler.

MAINE

Irenee Cyr, Fort Kent.
Leo V. Kennan, Mars Hill.

MASSACHUSETTS

James Sheehan, Millis.
Thomas B. Mulvehill, Norwood.
Charles A. McCarthy, Shirley.
Margaret E. Coughlin, West Concord.

NEVADA

James I. J. Lee, Boulder City.
Grace G. Thompson, Mina.
William E. E. Kinnikin, Reno.

TEXAS

Claude Thompson, Breckenridge.
James R. Eanes, Comanche.
John M. O. Littlefield, Crosbyton.
A. Warren Dunn, Fort Stockton.
Fred E. Horton, Greenville.
William C. Bigby, Livingston.
Myrtle M. Hatch, Mission.
Morris W. Collie, Pecos.
Ernest C. Waddell, Putnam.
Jack V. Gray, Rotan.
Carl R. Nall, Sherman.
Clarence Carter, Somerville.
Frederick I. Massengill, Terrell.

UTAH

A. Carlos Schow, Lehi.

VERMONT

John E. Stewart, Morrisville.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 23, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Oh, the love of Almighty God; we pause in silence before its heights and its depths. Oh, the mystery of wonder; oh, the rapture of delight! Let us dedicate ourselves anew to the high and holy cause of humanity, and may the perfume of the sacrifice fill our homes where we dwell, the shrines where we worship, and the places where we work. Heavenly Father, for the sake of others may we engage ourselves in ardent, patient, and undiscouraged toil. We pray that the work we do, the thoughts we think, and the words we speak may be fit to remember and worthy of use for another day. In all that is done in this Chamber let the Golden Rule be magnified, and all to Thy glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

ADJOURNMENT OVER

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. There is one other request I desire to make. A great many Members have asked me to request a meeting tomorrow night to consider bills on the Private Calendar unobjected to. In response to these numerous requests, which have come from both sides of the aisle, I ask unanimous consent that it shall be in order tomorrow to take a recess until tomorrow night for the purpose of considering only bills on the Private Calendar which are unobjected to, beginning with the star.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I wonder if the gentleman would amend his request for tomorrow night and make it Tuesday night?

Mr. BYRNS. I will if I have to, but I would like to have the meeting tomorrow night.

Mr. TRUAX. I am sure some of our colleagues would want to be present when we consider bills on the Private Calendar and they cannot be here tomorrow night. Under the circumstances I will have to object.

Mr. BYRNS. Then, Mr. Speaker, I ask unanimous consent that on Monday next it shall be in order to take a recess until Monday evening for the purpose of considering only bills on the Private Calendar which are unobjected to, beginning at the star.

Mr. SNELL. Mr. Speaker, reserving the right to object, would it not be better to wait until Monday to make the request?

Mr. BYRNS. I am perfectly willing to do that. I can withhold the request until tomorrow.

Mr. SNELL. I wish the gentleman would withhold his request until tomorrow.

Mr. BYRNS. I thought if I made the request this week the Members who have bills on the Private Calendar would have ample notice.

Mr. FISH. Will the gentleman yield?

Mr. BYRNS. I yield to the gentleman from New York.

Mr. FISH. In view of the fact the gentleman is making a unanimous-consent request, does not the gentleman think it would be in order to ask unanimous consent to bring up the arms embargo bill after we conclude the bill now under consideration?

Mr. BYRNS. I understood the gentleman from Tennessee [Mr. MCREYNOLDS] was going to make that request.

Mr. FISH. Does not the gentleman think it would be a good idea to make the request now?

Mr. BYRNS. I think so, and I understand the gentleman from Tennessee [Mr. MCREYNOLDS] will make the request.